Daily Report

Latin America

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PRC's Wu Xueqian Addresses ALADI Members

PY2605185290 Madrid EFE in Spanish 0602 GMT 26 May 90

[Text] Montevideo, 25 May (EFE)—Chinese Vice Premier Wu Xueqian today told representatives of ALADI [Latin American Integration Association] member countries that his government seeks to maintain and develop ties of cooperation and friendship with Latin America.

After emphasizing the significance of the first visit to several Latin American countries by PRC President Yang Shangkun—who is now in Uruguay—Wu expressed his hope that ALADI "will play an even greater role in promoting economic development among its member countries."

At present the PRC maintains diplomatic relations with 18 countries of the American continent and trade ties with the others. Overall trade between the PRC and Latin America currently stands at $3 billion.

Wu said: "China and Latin American countries, which have experienced the same historical situations, are today addressing the task of building their respective nations." Wu added: "We are all developing countries, which are not affected by fundamental conflicts of interest and which share the same political objectives of safeguarding world peace and developing our economies."

During his official visit to ALADI—which consists of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela—Wu stated that China "is willing to establish ties of cooperation and friendship in the political field with all countries in the world based on the principles of peaceful coexistence."

He added that in the economic field, the PRC seeks "to establish a new international economic order on the basis of the principles of equality and mutual benefit."

Arms Issue Causes Bird To Miss OECS Summit

FL2505205890 Bridgetown CANA in English 2006 GMT 25 May 90

[Text] St. John's, Antigua, 25 May (CANA)—Antigua and Barbuda's Deputy Prime Minister Lester Bird said that the arms controversy prevented him from attending the Organisation of Eastern Caribbean States (OECS) heads of government summit which was winding up in Dominica Friday [25 May].

Bird, the outgoing chairman of the sub-regional grouping, said he had been meeting this week with Lawrence Barcella Jr., the man who the government sent to Israel to investigate how the shipment of arms sent to Antigua ended up in the hands of a Colombian drug lord.

Barcella, who was invited to visit Antigua by Bird, also met with Prime Minister Vere Bird Sr. and Attorney General Keith Forde. Details concerning the talks were not made public.

EFE Creates New Specialized Branch Offices

PY2305161390 Madrid EFE in Spanish 0441 GMT 19 May 90

[Text] Madrid, 18 May (EFE)—This year, EFE, an international news agency headquartered in Spain, will begin a new expansion process by establishing two new branch offices to disseminate specialized economic information.

These two branch offices, Efecom Inc. and Efeagro Inc., will disseminate financial, agricultural, food, and stock exchange information in Spain. Its creation was approved today by the Spanish Government.

EFE was created 50 years ago. Today a stock company comprised mostly of public capital was formed to control, through its subsidiary Efegestion Inc., these new companies.

The remaining shares will be held by other organizations that can contribute, not only with financial support, but also with experience, information, and sources of specialized data in those fields.

Efecom Inc. will operate with a capital of 300 million pesetas (almost $3 million). Fifty one percent of this company will belong to Efegestion, and the remainder will be distributed in four packages of 12.25 percent, among the Foreign Trade Bank of Spain [Banco Exterior de Espana], the Postal Bank, the Madrid Bank, and the consortium of the Barcelona Free Port.

Efecom will distribute financial and stock-market information in "real time," or instant communication through computer equipment.

Efeagro Inc. will disseminate agricultural and food information and will have capital totaling 250 million pesetas (almost $2.5 million), 61 percent of which will be controlled by Efegestion.

The rest will be distributed among the Spanish enterprises Mercasa (12 percent), Tabacalera (13.5 percent), and Merco [expansion unknown] (13.5 percent).

The creation of these two new branch offices will be carried out with financial resources of EFE itself, with no need for new budget measures.

Cuba

Communications Official Comments on TV Marti

PA3005042890 Havana International Service in Spanish 0100 GMT 11 May 90

["A Cuban Topic" feature of interview with Carlos Martinez, director of radio frequency assignments at the Communications Ministry, by unidentified reporter; place and date not given—live or recorded]

[Text] [Begin recording] [First unidentified man] Zero three forty-five. TV Marti begins on Channel 13.

[Second unidentified man] [Words indistinct] positive. Received.

[First unidentified man] [Word indistinct] received. The signal is intercepted at (?point 0). Zero three forty-eight. The signal has been intercepted three minutes after it began. [end recording]

[Reporter] This scene has been repeated every day since 27 March, somewhere in Havana while the city sleeps. At 0145 on the morning of 27 March, the U.S. Government initiated the testing phase of a Spanish-language television station beamed to Cuba. So far, the U.S. signal, which is intended to occupy a channel of the local Tele Rebelde station, has been blocked in a matter of minutes by the Cuban systems designed to create this interference.

[Martinez] In reality, neutralizing the television signal began at the very moment when certain spokesmen for counterrevolutionary elements in the United States announced or hinted that the U.S. Government intended to establish an anti-Cuba television channel.

[Reporter] This is Carlos Martinez, director of radio frequency assignments at the Cuban Communications Ministry.

[Martinez] We even conducted a feasibility study prior to the feasibility study that cost the American taxpayers $100,000, and I can say that in practice we have proven the accuracy of the conclusions we reached, which since that time, have allowed us to develop an intercept device to neutralize the enemy television station. This has not been an easy task. We began working with a series of groups that were organized into various areas of radio work: an antenna group, an equipment group, and a publicity group. When the aggression began on month ago, our apparatus was working perfectly and was technically prepared to operate round-the-clock.

[Reporter] Washington's plan to beam television signals to Cuba for destabilizing purposes goes all the way back to December 1962. On that long-ago date, U.S. Information Director Edward R. Morrow sent a memorandum to then President John Kennedy proposing that the U.S. broadcast anti-Cuban television programs from an air force base. Twenty-five years later, the House of Representatives' Foreign Relations Committee accepted concurrent Resolution 180 as the first step in putting the television plan in motion, thereby violating all international laws governing telecommunications.

[Martinez] It violates the letter and the spirit of the international telecommunications agreement of the International Telecommunications Union, which establishes each country's sovereign right to regulate its telecommunications. The emergence of this aggressive television station against Cuba violates No. 2666 of the radio communications regulations, which states that the power of radio stations that utilize frequencies lower than 5,060 kHz or higher than 41 megacycles—as is the case of television—must not exceed the levels required to economically ensure good quality national service within the boundaries of the country in question. In addition to this, the U.S. Government's anti-Cuban station operates on Channel 13, which was already being used by Cuba to provide service within its own territory. Cuba's local service is currently being intercepted by this signal, specifically in the western part of the country, part of Pinar del Rio Province, Ciudad Habana Province, La Habana Province, and Matanzas Province.

[Reporter] The United States signed the agreement to which Cuban Communications Minister Manuel Castillo Rabaza has referred. However, the White House has not responded to the International Telecommunications Union's resolution, which states that the United States' broadcasting to Cuba from U.S. territory violates its laws. Nor has the White House said a single word concerning Cuba's objections to what it considers aggression, and particularly, an attack on its sovereignty.

[Martinez] It is not that we are afraid. We are not worried about this situation in the ideological sense; we are not worried about the programs that might be transmitted because Cuba airs a very large percentage of foreign programs, especially from the United States. This does not worry us. What bothers us, what we must not allow, is the violation of our sovereignty. Once again I ask: How long are we going to allow the [United States] to violate our rights and sovereignty, and to violate the administration of our radio spectrum, which is our responsibility?

[Reporter] Despite this, the signal has remained, and American officials say that the televised transmissions to Cuba are not aggressive, that they do not violate any treaty because they are beamed during the early morning hours, despite the opposition of most Latin American countries and even Canada.

[Martinez] That is false, and not only I, but the International Frequency Registration Board has said so. The International Telecommunications Union is in charge of registering radio frequencies. We have television Channel 13 registered on a 24-hour basis, and our state is entitled to use the station at any hour it may deem necessary. Therefore, regardless of when [TV Marti] is

broadcast—be it at dawn or during the day—the [United States] is simply violating the agreement. It is not I who says so, but the International Frequency Registration Board.

[Reporter] American officials have also said that 12 of Cuba's 14 provinces are receiving their broadcasts.

[Martinez] I believe that the first to have been surprised by those statements were the American engineers who designed the system for Cuba. That is simply a colossal lie. It makes no sense to say that the signal covers 12 Cuban provinces. Anyone who has basic knowledge of radio and television wave transmissions knows very well that that is impossible.

[Reporter] In view of U.S. technological power, we are asking ourselves how Cuba can intercept the U.S. television signal at a very low cost for the island, because it has been said that the cost does not surpass 2,000 pesos per day. I also asked this question of Engineer Carlos Martinez.

[Martinez] Our largest investment has been the talent of a group of Cuban engineers who have devoted themselves to studying how to intercept a television signal. In our universities we really study how to provide television service. This is a very noble and important service. However, the U.S. Government has forced us to study in depth the means of neutralizing television signals, which is a very broad field. Of course there is literature and background information on this subject. This has not been written about, unfortunately, but I can say today that we have gained a great deal of experience.

[Reporter] How much did Cuba invest to intercept the U.S. signal?

[Martinez] I would like some day to state the cost, to establish a comparison with what TV Marti has cost. It is not clear how much the American taxpayers have paid to equip this complex apparatus for television broadcasts through an aerostatic balloon, and to attempt to provide television service at a distance of over 190 km. Television is a service that is provided close to the areas that will be covered with the signal. In my opinion, the U.S. Government must have spent a great deal more than the initial budget of $7.5 million. Maybe that figure was for the program. How much did the balloon cost? Its price has never been disclosed. We know that it is based at a military base, at a naval base. However, that must also be paid for by the U.S. taxpayer. There are reports that the balloon's stabilizer, which is one of its most important features, was provided by the Air Force, but that is also taxpayer money. In short, we do not know how many billions of dollars the American taxpayers have really paid.

[Reporter] Will you be prepared if the United States attempts to occupy other frequencies?

[Martinez] Yes, of course. Absolutely. In the first place, the results we have obtained do not mean that we can sit on our laurels, as the saying goes. We are studying every change the United States may make. We are preparing for any change. We are prepared—and they know it—for a change of channel. We have foreseen many changes that the enemy may make, and we have solutions ready.

[Reporter] On one occasion I heard it said that the television signal the United States is attempting to impose on Cuba may set a record: the shortest-lived channel in history. If the United States continues with this politically and technically losing game—and everything points to the fact that it will—it will be the only channel in the world without viewers.

Roa Kouri Speaks at Conclusion of Media Seminar

FL2905024590 Havana Television Service in Spanish 0000 GMT 29 May 90

[Text] After a week of sessions, the [Information for Peace] seminar concluded with a roundtable on different aspects of Cuban-U.S. relations. Vice Foreign Minister Raul Roa Kouri gave a presentation about our alleged human rights violations, the campaign the United States has carried out for so long against our country.

[Begin Roa recording] In fact, the enforcement of human rights in Cuba existed for the first time after the triumph of the revolution. Of course, I am not going to refer to the different doctrines concerning human rights, because we are not here to talk about history. But it is clear that for the group of so-called Western countries, and especially for those in the Anglo-Saxon tradition like the United States, human rights are only and exclusively the so-called civil and political rights, and the other rights—that is, the economic, social, and cultural rights of peoples and persons—are ignored. [end recording]

In the opinion of the vice minister, East-West detente is only a North-North rapprochement, while the interests of developing countries are forgotten more and more. In this respect, he believes that now is a favorable time for a common strategy of the Third World countries.

Arnaldo Coro, a media specialist, gave a magnificent talk on the measures that our country has been taking in the legal and technological arenas to prevent the signals of the counterrevolutionary television station from being seen in Cuba. He warned that this could be the first step in a greater escalation. Considering its resounding failure, there are reports that they are preparing to broadcast from planes that would fly at a high altitude over Cuban territory. This would endanger communications between our planes and ships and would be a threat in our own airspace.

In a final declaration, the journalists and members of the peace movements who met in this information seminar approved continuing the work in this field as a contribution to justice, democracy, and the self-determination of the peoples of Latin America and the Caribbean. They also expressed solidarity with the Cuban people in their struggle for sovereignty and to defend their revolution.

Journalists Union President on Role of Press

FL3005221590 Havana Television Service in Spanish 0000 GMT 30 May 90

[Interview with Journalists Union President Julio Garcia Luis by unidentified reporter; place and date not given—recorded]

[Text] [Garcia] I think that the press has an important role in how it reflects the discussion. Naturally we cannot invent anything; that is, we must reflect the discussion just as it is, with its positive aspects, with whatever deficiencies it has, etc. And there is work the press can do, that I think is also very important, which is the work of inspiring the discussion, giving our people, the workers, the different professional sectors, the possibility of showing how ideas can be expressed, how a creative approach can be sought, in this discussion. I think this is a very important aspect of the press.

I think, I am sure, that the process of the call [for the Communist Party of Cuba Fourth Congress] will help us in the process of transforming the press, at the same time as the press will help this process have the quality we hope for.

[Unidentified reporter] We have yet to reflect life in our country in this very multifaceted way?

[Garcia] I think so. We still need to do this. We need to open up our spaces more to discussion of the things that interest people vitally. The call presents this very clearly. We still have a tendency to show a unanimity that in many cases is not real. In many cases it hides nuances that are lost precisely because of traditions, habits, because of the very struggle the revolution has to carry out for its survival.

All this influences this unanimous approach. But now is the time—precisely in the interest of becoming stronger—to become stronger by promoting this diversity, which is what should give us an even more solid unity. That is, the problem here is diversity as the means for a deeper and more solid unity of the society, the people, the party, and all our institutions.

Rodriguez Meets UN Special Envoy De Soto

FL0106010090 Havana Television Service in Spanish 0000 GMT 1 Jun 90

[Text] Dr. Carlos Rafael Rodriguez, a member of the Politburo and vice president of the Councils of State and Ministers, met this morning with Mr. Alvaro de Soto, the UN secretary general's special envoy and his personal representative for the Central American peace process. De Soto is also the UN under secretary in charge of the Executive Office of the Secretary General.

Mr. De Soto, who arrived in Havana last night accompanied by Blanca Antonini, an official of the UN Office of the Secretary General, briefed the Cuban vice president about various aspects of the peace process, particularly about the negotiations held recently in Caracas between delegations from the Farabundo Marti National Liberation Front and the Salvadoran Government. The high-ranking official also referred to the peace process in Nicaragua and the talks which have begun in Spain between the Guatemalan Government and the opposition, including representatives of the Guatemalan National Revolutionary Unity; a representative of the UN secretary general is attending these talks as an observer.

In thanking Mr. Alvaro de Soto for his valuable information, Dr. Carlos Rafael Rodriguez asked him to communicate to Javier Perez de Cuellar Cuba's support for the peace negotiations undertaken by the UN secretary general in Central America, especially in El Salvador. On the Cuban side, Foreign Minister Isidoro Malmierca; Vice Foreign Minister Raul Roa Kouri; Carlos Martinez Salsamendi, an adviser to the vice president; and Rolando Lopez del Amo, director of international organizations in the Foreign Ministry, also participated in the meeting.

Further on Interview With Nicaragua's Borge

FL3105162590 Havana Tele Rebelde Network in Spanish 1156 GMT 31 May 90

[Interview with Tomas Borge, former Nicaraguan interior minister, by Mayra Viera in Havana; date not given—recorded]

[Text] [Viera] Commander, we would like to learn about the current situation in Nicaragua.

[Borge] On one hand, perhaps one can talk of a Pyrrhic electoral victory for the National Opposition Union. It appears to be more a victory for the revolution because of the reactions it has caused among the Nicaraguan people. There is no doubt that a number of crises will arise in Nicaragua as a result of the legal and political measures taken by the new government, and of the Sandinists' will to play a leading role in Nicaragua's history, the will to recover the government. Also, as a result of the demobilization of the contras, which has had serious difficulties. Its setbacks are based on excuses or unconfessed plans on the part of the United States and the counterrevolutionaries.

The reflection of the new outlook we see includes a review of our working methods, an enthusiastic return to the popular sectors, a comprehensive recovery of revolutionary mysticism, and a reaffirmation of the principles that gave life to the Sandinist Front, such as its revolutionary and anti-imperialist nature, indentified with the people's interest; and the anti-imperialist nature of the Nicaraguan revolution, and its militant solidarity with the people's struggle and the triumphant revolutions such as the Cuban revolution. The Cuban revolution's affiliation, sympathy, and respect remains intact. In sum, this revolutionary process in Nicaragua will

continue to confront American imperialism. It will have to seek concrete results within the next few years.

[Viera] How do you personally view the situation and the popular reaction to this entire problem?

[Borge] A number of measures the government has taken have begun to erode its support. Of course, the $300 million from the United States has just been approved, which should create hopes among some backward sectors of our people. However, the neoconservative economic measures the government has taken and its measures aimed at denying the gains of the people, the gains of the revolution will in the near future be translated into discontent—enormous in my opinion—that will bring the country to one crisis after another until a crisis of a revolutionary nature occurs which will have to be resolved in accordance with the new situation the world and our country are experiencing.

[Viera] Do you feel optimistic, then?

[Borge] Absolutely. Not only about Nicaragua but about the life of the Cuban revolution, about the disillusionment that will be sown in the minds of the inhabitants of the East bloc countries, about the prospects of the popular and revolutionary movement in Latin America. I am full of the most absolute optimism, saturated with a total confidence that this joy of the most reactionary sectors in the world—that the outlook for revolution has disappeared and that conservatism will triumph for ever and ever—is no more than a fantasy and will be belied by events in the coming decade.

I want to take the opportunity to greet the brother people of Cuba and to reaffirm our respect, our affection, our gratitude. I do the same with its leaders and, especially, with our brother Fidel.

[Viera] Thank you, Commander, for your words for Cuban television.

Afro-American Symposium Participants Meet Castro

FL2605114390 Havana Tele Rebelde Network in Spanish 1100 GMT 26 May 90

[Text] Commander in Chief Fidel Castro met on 24 May with the participants in the "Malcolm X Speaks in the Nineties" symposium, which was held in Havana this week. Academics, political activists, and journalists from the United States, the majority of them Afro-American, participated in the symposium, held in memory of the prominent American black leader who was assassinated in New York 25 years ago.

In their meeting with Fidel, they stated that in spite of the disinformation campaigns carried out by the enemies of the revolution, the majority of the black population in the United States respects and admires Cuba. For his part, Fidel recalled his meeting with Malcolm X in Harlem 30 years ago.

Czechoslovak Leader Arrives, To Attend Meetings

FL2805184690 Havana Tele Rebelde Network in Spanish 1700 GMT 28 May 90

[Text] The 14th session of the intergovernmental commission for economic and scientific-technical cooperation between Cuba and Czechoslovakia begins in this capital today. Mr. Antonin Baudys, deputy prime minister of the Czech Republic, arrived in our country. He was welcomed by Ernesto Melendez, minister president of the State Committee for Economic Cooperation. During its four days of work, the commission will examine various aspects of cooperation between the two countries. In addition, it will assess the exchange of goods for 1990 and its outlook for next year.

Risquet Meets French Socialist Party Secretary

FL3105142190 Havana Tele Rebelde Network in Spanish 1100 GMT 31 May 90

[Text] Pierre Mauroy, first secretary of the ruling French Socialist Party, has received Jorge Risquet, member of the Communist Party of Cuba [PCC] Central Committee Politburo and Secretariat. Cuban Embassy sources in Paris reported that they discussed several current international issues in a friendly atmosphere. Risquet explained to his host the tense situation existing between Cuba and the United States because of the U.S. hostility. He gave details of the U.S. tele-aggression on our country.

For his part, Pierre Mauroy accepted an invitation extended by Cuba to send a Socialist Party delegation to the Fourth PCC Congress. After expressing his wish to head that mission, Mauroy sent greetings to Cuban President Fidel Castro.

Special Plenum of PCC Provincial Committee

FL3105135790 Havana Tele Rebelde Network in Spanish 1100 GMT 31 May 90

[Text] The Communist Party of Cuba [PCC] Provincial Committee in Havana will begin a special plenum at the (Olo Pantoja) School tomorrow at 0900. The plenum will be held to discuss thoroughly and extensively the call to the Fourth PCC Congress and train cadres for the analysis of this important document that will be debated by the people. This will be the first of the PCC provincial plenums. Other territories will follow.

The plenums of the PCC committees in the 15 capital municipalities will also be held in the month of June. The discussion process will be held in PCC community-based organizations throughout September.

The provincial meeting in the capital will be one day long. The 121 members of the Provincial Committee and over 250 guests will attend.

Cooperation Agreement Signed With Madagascar

FL3105201590 Havana Radio Reloj Network in Spanish 1955 GMT 31 May 90

[Text] The protocol of the sixth session of Cuba-Madagascar Intergovernmental Commission for Economic, Scientific, and Technical Cooperation was signed today by [Adrianaribone] Jean Bemananjara and Juan Herrera. The Malagasy foreign minister and the Cuban minister of the sugar industry signed the document, which includes cooperation in the fields of sugar industry, culture, fishing, agriculture, and sports—as in the past—and this year it was agreed to cooperate in tobacco and other products.

Herrera stated that the negotiations were marked by the spirit of friendship between the two delegations, and he said that the work of these days has contributed to becoming familiar with the problems of each country to help reconcile mutual interests. The representative of Madagascar said that the final result of the work of the sixth session will allow both parties to comply ably and courageously with all the points signed.

Rains Cause Evacuations, Halt in Sugar Milling

FL2905004790 Havana Television Service in Spanish 0000 GMT 29 May 90

[Text] More than 1,000 people evacuated, as yet unspecified damages, and the collapse of the Siguaney Cement Factory's warehouse for raw materials are some of the consequences of the constant rains that have affected Sancti Spiritus Province for four days. Meanwhile, in Camaguey the rains have brought the sugar harvest to a complete halt, as this morning the Sierra de Cubitas mill, the only one still in operation, shut down its machines.

Dominican Republic

Tavares Hopeful Review Will End 'Next Week'

FL3105133090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1000 GMT 31 May 90

[Text] Last night, Dr. Froilan Tavares, president of the Central Electoral Board [JCE] said he was hopeful that the process of verification and review of certificates will end next week. Dr. Froilan Tavares also reported that the JCE yesterday gave copies of the National District's original certificates to the Dominican Liberation Party.

The JCE president was interviewed as he was leaving the office of President Joaquin Balaguer, with whom he met for several minutes. Froilan Tavares explained that he did not inform the president about the elections but said he visited him to discuss a private matter regarding one of his clients.

Tavares refused to comment when asked about the remarks made by professor Juan Bosch involving the JCE and the Social Christian Reformist Party in the organizing of a colossal fraud. He did not specify when the JCE will announce the final verdict. The JCE president is in favor of making changes to the present electoral system.

Claims JCE Members Pressured

FL3005123190 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1000 GMT 30 May 90

[Text] The president of the Central Electoral Board [JCE] has revealed that very powerful forces pressured the members of the JCE during the evening of 17 May to suspend the regular broadcast of bulletins. Dr. Froilan Tavares gave his assurance that the members of the JCE did not agree at any time, and at all times maintained a firm position regarding implementation of the process. Although the JCE president made this revelation, at no time did he identify the forces that, according to his statements, pressured the JCE members. The bulletins were not interrupted [as heard] in spite of the opposition of the forces that were demanding it, said Dr. Froilan Tavares.

PRSC Leading in Review of Void Votes

FL3005125790 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 100 GMT 30 May 90

[Text] The tallying of void votes validated in the National District's Electoral Board for national candidacies shows that the Social Christian Reformist Party [PRSC], with 413 votes, is leading over the Dominican Liberation Party [PLD] which has 411. The summary of the three reports issued so far by the Electoral Board shows that 227 votes have been validated for Dominican Liberation Party national candidacies. This morning, the District's Electoral Board resumed the review of void votes in the presence of some political delegates. Only the PRSC and the PLD maintain a large representation in the verification process.

PRI Withdraws Delegates From Electoral Boards

FL3005132590 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1000 GMT 30 May 90

[Text] The Revolutionary Independent Party, PRI, has withdrawn its delegates from the Central Electoral Board [JCE] and the National District Electoral Board, alleging discrimination on the part of the JCE president. Two delegates who supported Jacobo Majutla as presidential candidate in the recent national elections, withdrew from the JCE after noon yesterday when review of the documents of the 16 May general elections was getting started. Dr. Leonardo Conde and Dr. Francisco Bautista withdrew from the JCE, and Engineer Carlos Agramonte

and Venences Valdez, from the National District Electoral Board. The decision was made by Jacobo Majutla after holding a meeting with the delegates at his home in this capital.

Haiti

Second Caricom Mission Holds News Conference

FL3105173990 Port-au-Prince Radio Nationale in Creole 1300 GMT 30 May 90

[Excerpts] A Caricom [Caribbean Common Market] delegation is currently visiting Haiti. The organizing of elections was discussed during the meeting held on 28 May between the Council of State and members of this second Caricom mission currently in Haiti, according to a member of the State Council who was contacted by telephone by the Haitian Press Agency [AHP]. During the 28 May meeting, the serious problem of insecurity Haiti is currently confronting was once again discussed. The State Council reminded the Caricom delegation that the provisional government's primary task is to organize credible, honest, and democratic elections. The State Council says, however, that there must be a minimum of security. All candidates, without distinction, must be able to move about without fear throughout Haiti during the electoral campaign.

For its part, Caricom promised, if asked, to do everything in its power to render the electoral process credible.

On the other hand, the State Council member in question is not at all happy about the attitude of certain political parties that are trying to intimidate the State Council. He said those men [not further identified] do not want elections to be held, because they [not further identified] are struggling to have a bit of justice, openness, and security, parallel with election preparations. [passage omitted]

Regarding the organizing of the coming elections in Haiti, the members of the Caricom delegation held a news conference yesterday afternoon [29 May] at the El Rancho Hotel to explain what kind of aid they intend to give Haiti in organizing the next elections. According to the delegation, an agreement has been signed with the Haitian Government to provide technical assistance, which could consist of printed and audiovisual material on electoral traditions in Caricom member countries. There will also be training for Haitian authorities, training in the holding of elections in Caricom countries. Also, they will send to Haiti Creole-speaking observers who are specialists in organizing democratic elections. [passage omitted] Here is an excerpt of this news conference.

[Begin recording] [passage omitted] [Unidentified reporter] So, what kind of aid are you Caricom people planning to provide for the elections?

[Unidentified delegation member] When we talked about [preceding word in English] aid, [word indistinct] said the aid they most needed was moral, you see. Because we, Caricom, are not (?in a position) [words indistinct] money, you see. However, we (?do have) influence. We can influence many many things. We can speak to the United Nations and speak out in favor in Haiti's cause. This is is even more valuable than money. We can organize conferences. We can ask that a conference be held to fix Haiti's affairs—things like that.

[Reporter] One last question. Did the president ask you to supervise the elections?

[Delegation member] Well, that is something that.... [changes thought] Yes, we (?came here for) that. Yes, yes, yes, yes. That is something important. (?Anyone who thinks) that is not important (?has something to hide), you see.

[Reporter] Thus, the government is in favor of Caricom's supervising elections in Haiti. What did you answer? Did you agree?

[Delegation member] Yes, (?everyone) agrees (?that) things must be well organized so that everyone can see clearly what (?has been) done. [end recording] [passage omitted]

We remind listeners that the Caricom mission is comprised of Jonathan Peters, minister of state, Ministry of Commerce and Tourism, St. Vincent and the Grenadines; Sahadeo Basdeo, minister of external affairs and international trade, Trinidad and Tobago; St. Lucian Foreign Minister Neville Senac, who is not totally unknown in Haiti, for he has already come here in the past; Edward Charles Carter, foreign minister, Commonwealth of the Bahamas; and Benjamin Clare, minister of state, Ministry of Foreign Affairs and Foreign Trade, Jamaica. [passage omitted]

PSCH's Eugene Returns, Prepares for Elections

FL2905172690 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 May 90

[Monitored in progress]

[Excerpts] ...[National Union of] Democratic Forces headed by Lamartiniere Honorat [UNFD]. First, UNFD president Honorat, in a long statement, welcomed back [Gregoire Eugene], president of the PSCH [Haitian Social Christian Party], whom he said he considers a nonviolent man. Honorat also expressed his indignation over the act of banditry committed against PSCH headquarters after the departure of former president Prosper Avril. [passage omitted]

After Honorat spoke at this news conference, PSCH president Gregoire Eugene took the floor to explain his intentions after two months of forced exile in the United States. He said he was relaunching the political struggle locally from the headquarters of the UNFD. Eugene announced a decision for concerted action between the PSCH and the UNFD. A reporter asked him if this was an alliance. Eugene answered that it was a decision for

concerted action [une decision concertee] to save the country, which he said was going backwards. Eugene added that his party is now operating from UNFD headquarters and that the PSCH will move to another headquarters after the coming elections in Haiti. [passage omitted]

Eugene expressed the hope of seeing free, honest, democratic elections held in Haiti. He reproached the leaders of Conacom [National Committee of the Congress of Democratic Movements] for demanding, in a communique distributed to the press, that he be arrested.

Team Observing Dominica Elections for Experience

FL2805151590 Bridgetown CANA in English 1403 GMT
28 May 90

[Text] Roseau, Dominica, May 28, CANA—A two-man team from the National Council on Elections in Haiti, here to observe Dominica's general elections, are hoping to gain valuable experience in how to organise such polls, a member of the group said on Monday [28 May].

Daniel Bernier told the Caribbean News Agency (CANA) that the team would be paying particular reference "to how people participate in elections, and to understand the dynamics of the situation". He said the visit, would help in his country's bid to set up a "proper electoral machinery in the future".

"Naturally, I think this visit could help in Haiti, because we got some very bad things in elections, and Haiti will try again with an election, and I think anything we find here could help in Haiti."

The visit is being supported by the office of the resident representative of the United Nations Development Programme (UNDP) and organised by the Dominica Government, the Caribbean Community (Caricom) Secretariat and the Foreign Affairs Ministry in the Bahamas.

The overall Caricom programme of electoral support to Haiti is being coordinated by the Caricom working group of senior electoral officials chaired by Noel Lee of Jamaica.

On Monday, the Haitians were visiting polling stations across the island, and were to observe the preliminary counting of the ballots when the polls closed. Bernier accompanied by Laciano Pharon, said the situation in Haiti "is very conflicting now" with the National Council seeking to ensure that elections to be held there probably later this year are free and fair.

Bernier said, however, he believed the Haitians were beginning to understand "what is being done now with regards to holding elections".

Responsibilities of Defense Ministry Announced

FL3105175890 Port-au-Prince Radio Metropole in French 1600 GMT 30 May 90

[Text] A government decree dated 17 May sets forth the new organizational structure of the Ministry of National Defense. It is the job of the Ministry of National Defense to:

1. participate in the maintenance of peace throughout the national territory;

2. together with the other agencies concerned, see to it that the laws decreed and measures taken by the executive branch of the government to guarantee the nation's internal and external security are carried out;

3. participate in the formulation and coordination of measures to be taken in case of war, civil disorders, or natural disasters;

4. attend to the maintenance, development, and modernization of the military infrastructure;

5. ensure—everywhere, under any and all circumstances, and against all forms of aggression—the security and integrity of the national territory, as well as the physical protection of the population;

6. attend to respect for laws, measures, alliances, and agreements related to national defense;

7. supervise the operations of institutions and services connected with the Armed Forces;

8. control everything having to do with firearms, ammunition, and explosives;

9. establish military maps of the Republic;

10. formulate and supervise policy for the training and vocational instruction of the members of the Armed Forces;

11. conceive the national plan for struggling against drug trafficking while respecting the accords, treaties, and agreements related to international cooperation in the matter;

12. issue, should any be required, building permits in the vicinity of a military installation;

13. control the acquisition, importing, and exporting, as well as the use of, military equipment and materiel;

14. collect any and all information related to the internal and external security of the state;

15. coordinate the Army's participation in development tasks;

16. establish any and all measures tending to guarantee the security and protection of the land, maritime, and air borders and see to it that they are carried out;

17. manage military decorations;

18. plan, organize, and coordinate the activities of military and (?civic) service;

19. and, finally, to exercise any and all other attributions stemming from its mission in conformity with the Constitution and the law.

Groups Express Views on Elections, Insecurity

FL3005172990 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 30 May 90

[Excerpts] The People's National Assembly [APN] says its position on elections in Haiti is that after the experience of 29 November 1987, in which the people were felled by macoutes' UZI's, the population is today not willing to participate in any slaughterhouse-type elections without the criminals', who are drenched in the blood of the Haitian people—shed on 29 November [1987] and 11 September [1988], and also at Jean-Rabel, Labadie, Milot, Piatte, Cabaret, and so forth—having been tried in court. This business of the OAS and the United Nations is a pretext so that if things go badly they can have U.S. soldiers invade Haiti, just as in 1915.

The APN continues to believe that only the Haitian people can solve their problems and really put an end to the macoutes in Haiti.

There is also reaction on elections and on the matter of the insecurity prevailing in Haiti from the League of Former Haitian Political Prisoners and the Friends and Relatives of Missing Persons [LAPPH]. The LAPPH says that in connection with all the murders, robberies, rapes, and abductions being committed against the population by thugs, the LAPPH has learned with great sorrow that a schoolteacher disappeared last Wednesday [23 May]. PPH says it is very concerned over what it is hearing about thugs' preventing the population from circulating, both day and night. LAPPH notes that since the government of Mrs. Ertha Pascal Trouillot has been in power, no serious dossier has been opened, no investigation.... [four-minute break in transmission]. [passage omitted]

The LAPPH says that in view of all the weaknesses and the inability of the forces of order, whose mission it is to protect people's lives and property; and in view of the complicity of certain members of the Army with the thugs, to prevent these criminals from going to trial; and in view of the weakness of the ministers of justice and interior, who are unable to conduct any serious investigation to bring to trial the criminals denounced and sought by the population, the LAPPH once again vigorously protests all the criminal acts being committed against the population and asks the pertinent authorities to identify, arrest, and punish as required by law, everyone committing such acts. [passage omitted]

Press Agency Analyzes 'Sociopolitical' Situation

FL3105191590 Port-au-Prince Radio Nationale in Creole 1300 GMT 30 May 90

[Excerpts] In view of all the problems we have been encountering recently, the Haitian Press Agency [AHP] analyzes Haiti's sociopolitical situation. Here is what it says: Three months after the current new provisional government came to power, the social, political and economic situation in Haiti remains stationary. The nation's different radio stations daily echo the cries of distress from the population of the most remote parts of Haiti and the capital's poor neighborhoods.

The prices of all merchandise, which were tending to drop following the various interventions by the commerce minister at the beginning of April, have begun rising worse than ever, the AHP says in its analysis.

(?Despite) the police authorities' many promises to effectively provide security for lives and property and to see to it that the electoral process is carried out successfully in Haiti, the matter of insecurity remains a real scourge for the Haitian people, AHP says. [passage omitted]

In Leogane, four alleged thieves were arrested by the police and then released. On Sunday 27 May—in Cite de Dieu, located on the Bicentennaire in the capital—the population stoned these four men to death. Meanwhile, almost every night there are flaming barricades all over the streets of Port-au-Prince; and while the men operating as they please and sowing fear and death in Haiti are to this day still able to operate fearlessly, the population for its part, is still waiting for the butcher of Martissant, Marc Antoine Lacroix—responsible for the death of seven children on 10 March 1990—to be brought to trial. [passage omitted]

Meanwhile, the winds of division continue to blow with great strength within institutions in Haiti. CATH, Autonomous Organization of Haitian Workers—whose headquarters is on Rue des Casernes—and the Papaye Peasants Movement, now Conacom [National Committee of the Congress of Democratic Movements] has recently fallen apart. Many observers are wondering anxiously whether the political parties are going to continue tearing one another apart or whether they are going to facilitate the population making a choice during the coming elections in Haiti, elections for which the calendar has to this day not yet been published. [passage omitted]

Three Members of Conacom Join Panpra

FL3105165390 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 31 May 90

[Text] The office of the national coordinating body of the Nationalistic and Progressive Revolutionary Party of Haiti [Panpra] advises the Haitian people and its friends in Haiti that on 26 May 1990, and within the framework of the decree on political parties that consecrates freedom of political choice, citizens Moyse Senatus, Sorel Jacinthe, and Marc-Ferl Morquette joined Panpra. The office of Panpra's national coordinating body also announces that Moyse Senatus is Panpra's national secretary. Sorel Jacinthe and Marc-Ferl Morquette are members of the office of the national coordinating body.

Thus Senatus, Jacinthe, and Morquette, who were in Conacom [National Committee of the Congress of Democratic Movements], are no longer in Conacom. They have joined Panpra.

One man's mead is another man's poison.

State Council Member Visits Grande Anse

FL3005183790 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 30 May 90

[Report by Charles Emile Joassaint from Jeremie]

[Excerpts] Attorney Edgard Cesar, representative of the Department of the Grande Anse on the State Council, visited the Grande Anse over the weekend. We interviewed him. [passage omitted] Cesar said that the demands of the population of the Grande Anse are not being met, which is the case not only for the Grande Anse but for most of the country, but that the population should not become discouraged, that their demands will be met. However, it will take a little while.

[Begin Cesar recording] [passage omitted] The government is trying hard. Many things remain the same. There is much resistance to meeting the population's demands. [passage omitted] For example, in many ministries only the minister has been changed. All the old personnel, all [words indistinct] opposed to change remain in place. [passage omitted] In fact sometimes, when they see you show up, some of them are not comfortable with you because they think that because you are a member of the State Council, you are not on their side.

We of the State Council are making great efforts in this regard because we are of good faith, and I think we will succeed in doing something about this. [passage omitted]. [end recording]

According to Cesar, the matter of insecurity is not (?a simple matter) because it has sponsors. There are pressure groups feeding it. Those who do not want change are maneuvering to intimidate people, to prevent the electoral machine from shifting into a higher gear and truly moving, so they themselves can continue to function in the same old corrupt manner.

Nevertheless, this did not stop the representative from assuring us that proper elections will be held in Haiti, with the participation of the entire Haitian people and the support of international organizations that are to come to Haiti so things will be clear and everything proceed well and most peacefully.

Last, Cesar said the provincial State Council delegates are encountering quite a bit of difficulty in covering the areas each represents simply because they do not have transportation at their disposal.

Political Leader Emmanuel Beauvais Dies

FL3105201190 Port-au-Prince Radio Nationale in French 1700 GMT 31 May 90

[Excerpt] A political leader has died. Emmanuel Beauvais, head of the MOP [Movement for the Organization of the Country], with headquarters in Delmas, died early this morning following heart problems. The leader of the Delmas-based branch of the MOP died in the car that was taking him to Canape Vert Hospital. [passage omitted]

Canada Announces $1 Million Special Aid

FL3105195390 Port-au-Prince Radio Metropole in French 1600 GMT 30 May 90

[Text] Canada has granted Haiti special nutritional aid evaluated at approximately $1 million. Canadian Minister of Foreign Affairs and International Development Monique Landry has announced a $1 million special aid contribution to Haiti to facilitate our country's transition to democracy.

This assistance, provided in the form of nutritional aid by the Canadian International Development Agency, SCDI, is aimed at reducing the cereal deficit and at providing economic support of a social nature, generated by the creation of a counterpart fund to counter the serious economic difficulties Haiti is currently confronting.

A press release from the Canadian Embassy in Port-au-Prince says this aid is a follow-up to an appeal made by the provisional government. Thus, a counterpart fund will be established; and the implementation, management, and follow-up of certain special projects will be the joint responsibility of the Canadian Embassy in Haiti, the Haitian Government, and the Canadian nongovernmental organizations operating in Haiti.

The press release says the goal of this operation is to give rise to financial resources earmarked for small local projects that are labor-intensive, as well as to respond to the need to create remunerated short-term jobs, which are necessary for social stability during this transitional preelection period.

The Canadian Government is seeking, by means of this initiative, to give Haiti's provisional government concrete support, Mrs. Landry declared.

Jamaica

Manley 'Recovering Well' From Pneumonia

FL3105181190 Bridgetown CANA in English 1733 GMT 31 May 90

[Text] Kingston, Jamaica, May 31, CANA—Jamaica Prime Minister Michael Manley, hospitalised in Miami with pneumonia, is recovering well, but is not being allowed any visitors at this time, a government update here said. The statement said Manley, 66, has been ordered to complete rest by his doctors.

The Jamaican leader, who is at the chest unit of the Miami Heart Institute, reportedly has a good appetite, is breathing better, and has been giving orders to his aides, a spokesman said.

Manley was flown to Miami from Kingston by air ambulance early Monday [28 May] after he was diagnosed with pneumonia in both lungs. Doctors are unable to say how long he will remain in hospital.

Manley was scheduled to undergo prostate surgery on June 5 at the Sloan Kettering Cancer Institute in New York, but doctors are watching his prognosis to see if the operation will have to be postponed, said Hartley Neita, Manley's communication consultant.

President Hails Economic Pact 6-Month Extension

PA2805170090 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 28 May 90

[Report by Juan Manuel Pereira]

[Text] Last night at Los Pinos, an extension of the Pact for Stability and Economic Growth was signed for an additional six-month period beginning on 1 August. President Carlos Salinas de Gortari was a witness to the signing of the new terms of the pact. The new agreement reached by the labor, business, peasant, and government sectors has three prominent features:

1. The federal government decided that the exchange rate would be adjusted by an average of 80 cents a day beginning today, Monday.

2. There will be moderate price increases for certain fuels to strengthen public finances and correct the excessive growth of demand. The businessmen pledged not to pass these increases on to the prices of goods and services.

3. No increase in minimum wages is planned for the rest of the year. Contracts will be reviewed in due time, in accordance with the law.

On the other hand, the federal government will maintain its pledge to exercise strict discipline in public finances. The workers and the business sector will sign, within a period of no more than 60 days, a national agreement to increase productivity. All sectors reaffirmed their unyielding determination to have labor relations carried out under the law and to rule out violence and illegal solutions. Similarly, the federal government will apply various foreign policy measures that will be reflected in reduced costs for the agricultural sector. It will also combat unfair foreign trade practices.

Labor Secretary Arsenio Farell Cubillas read the pact, which was signed by Lorenzo Duarte, president of the Labor Congress; (Rolando Peca Inges), of the Business Coordinating Council; Fidel Velasquez, secretary general of the CTM [Confederation of Mexican Workers]; and Maximiliano Silerio Esparza, secretary general of the CNC [National Peasant Conference].

This is the fourth time the pact has been extended during President Carlos Salinas de Gortari's administration.

[Begin Salinas de Gortari recording] The pact that is signed today should be seen as a group of coherent measures that provide for more discipline in spending, moderate adjustments of indispensable prices and tariffs that are compatible with our fight to combat inflation and improve the environment, and correction of public finances with a greater effort by sectors involved to increase productivity and distribute it equitably, as people here have explicitly pledged to do. [end recording]

The nation's chief executive said that the minor adjustment of the exchange rate is a measure consistent with reality, and its purpose is to further reduce inflation.

[Begin Salinas de Gortari recording] We all must do our part. We must all comply with and support the pact. Its objectives further the interests of us all, but primarily they further the true interests of the nation. [end recording]

The president of the Republic said that our economic condition has improved. He said this after the labor secretary noted that in 1989, the primary surplus in public finances reached its highest rate in history in real terms, and the public sector's financial deficit went from 16 percent in 1987 to only 5.8 percent in 1989, a decline that has continued throughout 1990.

Reduced inflation benefits those who have the least. The pact is being reinforced with that goal in mind. The present conditions make it possible, and the solidarity of Mexicans guarantee it, the president said.

Cuban Ambassador Stresses Need for More Trade

PA0106024390 Mexico City THE NEWS in English 27 May 90 p 5

[Report by Therese Margolis]

[Text] The historical links that bind Cuba and Mexico are strong and deep-rooted. Since the days of Hernan Cortes, the two countries shared a parallel colonial experience. While Havana served as a staging ground for early explorations of the Yucatan Peninsula, Mexico provided several thousand members of Cuba's labor force during the country's sugar boom in the mid-1800's.

Cuban poet-statesman Jose Marti, who introduced the first printing press in Latin America and is generally acknowledged as the spiritual leader of Cuba's independence struggle, spent several years in Mexico after his exile in Spain. Likewise, Mexican muralist David Alfaro Siqueiros made at least two trips to Cuba during his later career.

It was on Mexican soil that Fidel Castro and Ernesto "Che" Guevara plotted the 1959 overthrow of longtime Cuban dictator Fulgenio Batista.

And in spite of political pressures from outside sources, Mexico and Cuba have never once severed diplomatic relations with one another. In the last three years, Castro has made two formal visits to Mexico, and President Carlos Salinas de Gortari paid a courtesy call on Havana shortly before taking office in December, 1988.

Geographic proximity has also contributed to a unique cultural affinity between the countries. There is ample bilateral interchange in sports, music, art, film, dance, theater and literature. Cuban physicians and agricultural specialists exchange technology and knowhow with their Mexican counterparts and academic cooperation at both the taching and student levels abound.

And yet, despite the intimate familiarity between the countries, two way commercial relations are surprisingly limited.

"Within the framework of our excellent ties with Mexico," Cuban Ambassador Jose Fernandez de Cossio Rodriguez told The News last Thursday [24 May], "both parties agree that trade is a weak point. The balance is heavily weighted against Cuba."

In fact, last year Cuba purchased 80 million dollars in Mexican goods, while Mexico imported less than 4 million dollars in Cuban products.

Topping the list of Mexican exports to Havana are chemical products, copper, synthetic fibers and small-scale machinery, Fernandez de Cossio said. Cuban products that are imported by Mexican firms include rum, tobacco, marble, nickel and chrome.

Havana is also eager to export sugar to Mexico, the ambassador pointed out. "In a good season, we can produce as much as 8 million tons of sugar a year," he said. "Our domestic demand is ony 500,000 tons a year. We currently sell sugar to the Soviet Union, China and Japan, among others. But since Mexico's industry is not self- sufficient at this point, we would like to help make up the deficit."

According to a media report published early last week, two local mills have already agreed to refine 124,000 tons of Cuban brown sugar for home and industrial consumption. Fernandez de Cossio, however, said that no formal agreement had yet been reached regarding the sale of Cuban sugar to Mexico.

Another field where the diplomat feels there is potential for economic exchange and cooperation is tourism.

"About 20,000 Mexicans visit Cuba annually," he noted, "which helps to balance out our trade deficit to some degree. We would like to be able to accommodate even more Mexican tourists, but we lack the facilities to be able to receive them. The demand exists, and we are now expanding our installations."

As Cuba's second largest industry, tourism is being spurred by the government as one of the country's key areas of economic growth. Several major Havana hotels have recently undergone serious face-lifts and major renovations in order to become more competitive in the international tourism market, Fernandez de Cossio said, and one Mexico private sector firm is now banking a hefty sum on a 250-room, five-star hotel complex in Varadero.

"Cuba is definitely open to Mexican capital in tourism development," the diplomat said. "This is a sphere in which Mexico has a great deal of experience and where we can coordinate to compliment one another rather than compete against each other."

Tourists visiting Cancun or Cozumel, for example, could take jaunts to Havana and vice versa, he said.

"The friendship between Mexico and Cuba is very vigorous," Fernandez de Cossio said. "We share a mutual interest and concern in regional politics and an excellent communication exchange."

Salinas Hopes To Strengthen Ties With Japan

OW2705064390 Tokyo KYODO in English 0946 GMT 26 May 90

[Text] Chihuahua, 25 May (KYODO)—Mexican President Carlos Salinas de Gortari said Friday [25 May] his forthcoming visit to Japan is aimed at strengthening economic ties between the two countries and inducing more Japanese investment in Mexico.

Salinas made the remark in a meeting with Japanese correspondents representing KYODO NEWS SERVICE and other news organizations aboard a presidential helicopter during a stumping tour of northern Mexico.

The president said he is eager to hear views of Japanese leaders concerning expansion of bilateral trade and Japanese investment in Mexico.

Salinas is scheduled to visit Washington on June 11 for talks with U.S. President George Bush on Mexico's participation in a free trade pact concluded between the United States and Canada.

The Mexican president will then fly on to Tokyo for an official visit to Japan, starting June 17.

Jaime Serra Puche, secretary of Commerce and Industrial Development who will accompany Salinas on the Japan tour, said Mexico plans to induce investment from Japan and West European countries.

Salinas said Mexico wants to strengthen its presence in the Pacific rim countries, and he will emphasize in his talks with Japanese leaders the importance of political, social and economic reforms being carried out by his government.

The president said Mexico wants to join the Asia Pacific Economic Cooperation (APEC) Ministerial Council adding Mexico is the world's No. 12 economic power and its participation will help strengthen the organization.

Salinas expressed serious concern that Western capital investment and aid would be diverted from Latin America to East Europe as a result of sweeping economic changes there.

He said Mexico is making active efforts to attract investment from West European countries.

Salinas expressed hope that his visit to Japan will further promote friendly relations between the two countries for world peace.

Attorney General's 'Drug Trafficking' Denied

PA0106010490 Mexico City NOTIMEX in Spanish 1823 GMT 31 May 90

[Text] Mexico City, 31 May (NOTIMEX)—The Attorney General's Office (PGR) has denied that Attorney General Enrqiue Alvarez del Castillo had any connections with drug trafficking in 1985 when he was governor of the State of Jalisco.

It also said that the statements to that effect by U.S. DEA agent Abel Reynoso to a Federal Judge in Los Angeles California are "irresponsible and slanderous."

According to Reynoso, Javier Vazquez Velasco, who was also a DEA agent, had told him that Jalisco Governor Alvarez del Castillo was involved in drug trafficking in February 1985 when anti-drug agent Enrique Camarena Salazar was murdered.

The PGR claims that it is inadmissible that Reynoso had testified on such a delicate and serious issue merely on hearsay.

The PGR also says that Vazquez Velasco was Rafael Caro Quintero's gunman and bodyguard. Caro Quintro is in jail for the murders of Camarena Salazar and his aide, Mexican pilot Alfredo Zavala Avelar.

Editorial on U.S. Reaction to Free-Trade Pact

PA3105174190 Mexico City EXCELSIOR in Spanish 22 May 90 p 6-A

[Editorial: "Agreed, Not So Soon"]

[Text] There was an immediate reaction in Washington to the results of the consultation forum organized by the Mexican Senate. According to the U.S. Administration, "it reveals the political acceptability" of a bilateral free-trade agreement. However, there were also some rather cool remarks, which add a different dimension to the matter.

First to stand out is the time factor. Mexican diplomatic officials, as well as U.S. officials, explained that the possible agreement cannot be signed next month during Mexican President Carlos Salinas de Gortari's visit to Washington. If anything at all is signed in this respect, it will be a "declaration of intent." As a point of reference, the agreement between Canada and the United States did not enter into force until four years after it was drafted.

There is another aspect that is just beginning to be seen in Washington: The possibilities of opening bilateral trade negotiations between Mexico and the United States clash in some respect with the multilateral purposes that guide the final and definite phase of the GATT Uruguay Round, whose most important topic—concerning services and patents—was proposed by the United States. Perhaps Washington never imagined that the debate in our country of such a sensitive issue would conclude soon. Perhaps it was thinking of keeping the possibility of an agreement with its southern neighbor as a card up its sleeve that would help it make headway within the GATT.

Now, however, the United States seeks to create the impression that the "Mexican Government urgently wants to negotiate the trade agreement with Washington." At any rate, pacts leave the realm of the ideal and stumble on their first obstacles, but now it is up to the United States to decide if it will take advantage of this opportunity or miss it.

Editorial Skeptical of Regional U.S. Policy

PA3105183090 Mexico City UNOMASUNO in Spanish 23 May 90 p 18

[Editorial: "Latin America, Once Again Area of Expansion for the United States"]

[Text] U.S. President George Bush, at a very suitable forum to praise private initiative—the Council of the Americas, which is an association that groups together over 200 U.S. corporations with interests in Latin America—promised not to forget Latin America in view of changes taking place in East Europe. Other White House officials have made the same promise during various world events. So as not to expand on this issue, it should suffice to remember Franklin Delano Roosevelt's good neighbor policy and John F. Kennedy's Alliance for Progress, which sank into oblivion as soon as the threats to U.S. political and economic interests were over.

The representatives of those U.S. political and economic interests, described as vital and strategic by David Rockefeller, president of the Council of the Americas, are not capable of viewing our countries "as something more than a place to make profits," as President Bush said. Our countries are only seen as areas to invest capital and expand U.S. businesses. Rockefeller's language could not have been more frank when talking about opportunities that Latin America can offer in the current circumstances, opportunities that "will be increasingly more important for U.S. national and security interests in the 1990's."

If such language or examples were not sufficient for us to view with skepticism President Bush's rhetoric, then there are also eloquent events that should convince us that the United States has no friends, partners, or neighbors on our continent, but only economic and strategic interests. In Washington, Congress has not yet approved the meager aid promised to Panama and Nicaragua that is needed to correct, at least in part, the economic disaster caused by the blockades imposed by the U.S. Government, not to mention the disaster caused by the brutal armed intervention in Panama and the contras' armed harassment in Nicaragua.

President Bush himself summed up all the Republican pragmatism when he said that as long as trade continues to increase, "U.S. prosperity will be linked to the prosperity of our Latin American partners." Unfortunately,

figures given by President Bush to show the link between growth in production in some Latin American countries, including Mexico, and the increase in U.S. trade show an increasing disparity that is more advantageous to the United States. Such a relationship will not help us climb out of our chronic underdevelopment.

El Salvador

Cristiani Cited on Peace Process, Campus' Return

PA3105174090 San Salvador EL MUNDO in Spanish 29 May 90 p 3

[Report by Raul Mendez—all quotation marks as published]

[Text] "To have peace in the country, there must first be peace inside each Salvadoran, and following the meeting in Caracas with the FMLN [Farabundo Marti National Liberation Front] commission, we believe it is possible that peace can be attained in the country by next year," Salvadoran President Alfredo Cristiani said in a news conference at the presidential palace yesterday afternoon.

For the first time, the members of the FMLN have signed an agreement on the timetable for future meetings, Cristiani said, and this is of great importance because the talks are being supervised by representatives of the United Nations, which has contributed to the seriousness of the talks.

The president spoke about the report on his first year in office that he will deliver on Friday, 1 June, saying that "within my constitutional mandate, next year, starting on 1 June 1990 until 31 May 1991, will be called 'the year of peace in El Salvador,' because I have been fighting to attain peace since June of last year when I came to the Presidency." He added that "the government has always been willing to allow all sectors to participate in the peace process, but the participation of each one of them is limited today by what has been agreed upon in the Geneva agreements signed in the meeting held with the FMLN commission."

Asked if the government would make the decision to allow labor groups to participate in the dialogue, he said that up until now there has not been any agreement reached so that these groups can directly participate in the talks. "It has been agreed that the government and the FMLN commissions can meet separately with each group to inform them of the results of the talks and to listen to their proposals if there are any."

As for the return of the university campus, he said it is possible it will be turned over to the proper authorities by the end of this month because the agreement stated that the campus would be returned as soon as the inventory of all the property and the accounting report were finished. "I understand that both reports have been finished, and it is possible that the campus will be returned to the University of El Salvador [UES] by the end of May or beginning of June," he said.

As for protests against the approval of the General Education Law, the president said that copies of the document were handed out and distributed among all the institutions in the education sector. "The groups that believe the bill contains some disagreeable points had the opportunity to make their observations, Cristiani said. In a meeting with university representatives, "we explained to them that the president would be contradicting himself if he vetoed a bill which he himself has submitted to the legislative branch and which already contained some reforms when it was returned." The UES made some observations last week, and some of them were taken into account because they contributed to the improvement of the bill," Cristiani said.

Moreover, President Cristiani said that Decree No. 483 does not affect the salaries or the benefits of workers in autonomous institutions, but, on the contrary, the workers, as well as the rest of the population, will benefit from the struggle against inflation. Cristiani made a call to labor organizations and unions to refrain from promoting stoppages or strikes.

In addition, Cristiani said he disagreed with the opinions given by Msgr. Arturo Rivera y Damas, who said the government has not benefited "the poorest of the poor." Cristiani said all the economic measures that have been taken have been aimed at stopping inflation, which has been increasing for the past few years at percentages that have been higher than in the first half of this year. The government believes a stabilization process has been achieved and that now the country will enter a recovery period. Proof of this is that the currency exchange rate, which had been rising, is currently dropping, the president said.

Archbishop Decries 'Interference' in Broadcasts

PA3105022590 Hamburg DPA in Spanish 1815 GMT 27 May 90

[Text] San Salvador, 27 May (DPA)—San Salvador Archbishop Monsignor Arturo Rivera y Damas said today that the interference with the broadcasts of the Sunday mass homilies and other Radio Catolica programs, including the prelate's participation in speaking out against situtions that are detrimental to the Salvadoran people's interests, was "something suspicious."

Msgr. Rivera y Damas, Auxilliary Bishop Gregorio Rosa Chavez or Vicar General Ricardo Urioste have often included a segment on the week's events as part of the gospel in the Sunday mass and they speak out against abuse of authority, arrests, and human rights violations.

However, the broadcasts featuring sports programs, Protestant sect programs, and even Radio Catolica's cultural programs can be clearly heard once the mass is over.

Archbishop Rivera y Damas said today that the Radio Catolica director has been instructed to contact the National Administration for Telecommunications, but he is told that this is simply due to "technical problems."

However, the "problem has become increasingly suspicious," the prelate said, ignoring the fact that his voice could not be heard over the radio today due to the same "technical problems."

Thousands of Salvadorans have been listening to the Sunday mass over the radio to learn about events which are not in the press, and to hear Pastoral words of guidance.

When the right-wing government assumed power last year, the first thing it did was to abolish the live television broadcasts from the cathedral. Now the situation is compounded by the "curious interference with the Sunday mass broadcasts, while the domestic television sponsors Protestant sects—not within the framework of a freedom of worship, but to counter the Christian word which denounces things," according to the parishioners.

During the last decade, when the homily was first broadcast and before the death of Msgr. Oscar Arnulfo Romero, the reports from the pulpit were described as "the voice of those without a voice."

The archbishop said today that new efforts would be made to present evidence of the interference at the national level and, if nothing is achieved, international support would be sought to exert pressure on the government.

The Radio Catolica transmitters and studios have suffered all kinds of attacks—ranging from machinegun fire, dynamite explosions, and anonymous telephone calls, to the destruction of its transmitters—over the last 10 years.

Views 'Threats,' Cristiani Promises

PA3105143090 San Salvador Canal Doce Television in Spanish 0300 GMT 29 May 90

[Text] San Salvador Archbishop Msgr. Arturo Rivera y Damas has said that after five days of talks he feels optimistic about the Caracas agreements between the government and the FMLN [Farabundo Marti National Liberation Front]. However, he said, scant information and the recent mutual recriminations have made the people feel more mistrust than optimism, thus endangering the peace process. He also disagreed with the continued threats of launching military offensives.

[Begin Rivera y Damas recording] There seems to be an insistence on proving power, while I believe that power should be proven using arguments at the negotiating table rather than on the battlefield. However, apparently they also want to base their arguments on military strength. [end recording]

During the homily Rivera y Damas said that within the next few days Catholic priests from all over the country will issue an evaluation of Cristiani's first year in office. However, in a first approach, the capital's archbishop said that the presidential promise of favoring the poorest of the poor is still far from being met. He said he expects the discussion at the upcoming area presidential summit to focus on the region's economic problems from the viewpoint of the peoples' interests.

[Begin Rivera y Damas recording] I believe that if mankind's interest prevails over economic interests, there may be progress. If economic interests prevail, leaving the human element aside, then selfishness will win and this will not resolve the problems. [end recording]

Msgr. Arturo Rivera y Damas said that as our rulers come to fully realize that the situation of the poorest of the poor cannot change while there is war, they will then be sincerely compelled to seek peace so that the future will be more promising.

FMLN Reacts

PA3105150790 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 May 90

[Commentary: "Who Is Waging a Dirty War?"]

[Text] To our surprise, Msgr. Rivera y Damas said on 27 May that the FMLN has been waging a dirty war for the past 10 years. We do not want to argue with Monsignor, but we want to respectfully voice our disagreement with that opinion, which we consider to be unjust. We also want to point out a few things to the top church authority in our country.

It would be advisable to recall that FMLN combatants and commanders rose up in arms in reaction to the Armed Forces' brutality. Many of us lost our parents, brothers, and spouses, because they were murdered by the Armed Forces. Many of the combatants of this Morazan Department are the offspring of peasants who were murdered en masse in Mosote by the Atlacatl Battalion in 1981.

The Armed Forces torched our homes, destroyed our crops, and murdered our relatives and friends. We are not warmongering; we have never been. However, we are not cowards or fainthearted either, and will defend our lives, property, and fatherland.

Although we have put together a powerful guerrilla army and are an armed power, we have never murdered priests or tortured anyone. Human rights violations are not a policy or war tactic of the FMLN, as they are for the Armed Forces. The FMLN has been involved in isolated cases of human rights violations that it has admitted.

We have publicly said in certain FMLN operations that we have committed mistakes, and we have even discussed them. However, Senator Moakley's report rightly points out that, for the top military officers of the Armed Forces, the Jesuits' crime might be a stupidity, but none of them has admitted that it was a mistake. Thus, war is a systematic policy of the Armed Forces [passage indistinct] and are obstructing the negotiations.

It is completely wrong and unjust to make accusations of waging a dirty war about those who today represent the purest and most honest people in this fatherland; that is, the thousands of poor young peasants, students, and workers who have given up everything to turn our fatherland into a democratic republic free of genocidal military men.

FMLN's Martinez Comments on Communique

PA3105200190 San Salvador Radio Cadena YSU in Spanish 1200 GMT 28 May 90

["Exclusive" interview with Ana Guadalupe Martinez, a commander of the Farabundo Marti National Liberation Front, FMLN, by unidentified reporter on 28 May; place not given—recorded]

[Text] [Martinez] The first aim of our communique was to denounce the Army's nationwide military operations, especially those it has implemented during this week of talks, because the government and Army, through Coprefa [Armed Forces Press Committee], have tried to give the impression that the FMLN is always carrying out offensive operations and that the FMLN does this for propaganda purposes before or during a round of talks.

It appears as if they were only thinking about the virtues of a negotiated solution or that the Army were doing nothing in its positions. This time around we wanted to get on record that the Army is implementing nationwide offensive operations and that this is in keeping with the Army's tactics of carrying out offensive actions while giving the impression that the FMLN is the one permanently carrying out operations, which is not in keeping with the willingness to engage in dialogue and negotiation that we have proclaimed. This time the FMLN wanted to have on record that this is not true, that it is the Army that is involved in nationwide operations and we who are obliged to be on the alert and react to such operations.

Our second aim was to underscore the fact that as long as we do not reach serious political agreements that will genuinely further the country's democratization and demilitarization of society, we will not call a cease-fire.

This could be interpreted as a threat. However, we wanted to clarify our position, because there has been much fooling around with the need to end the struggle and negotiate. We have always said that there will never be a negotiation in this country if the FMLN stops the struggle before negotiation takes place, because we do not believe that a willingness to negotiate will exist after a cease-fire is called.

Salvadoran society must understand that this is not a warmongering position, but a guarantee for society as a whole. If there are political agreements leading to democratization, the country will enjoy lasting peace. If we are forced to call a cease-fire before we achieve firm political agreements based on democracy, human rights, and a demilitarization of society, this country will never see substantial changes leading to a new society.

Those were the two aims of our communique. It has apparently caused an uproar because it seems to imply that the FMLN will launch new offensives. We will neither rule out nor confirm this. We also wanted to stress that war will not end as long as firm political agreements are not reached.

[Unidentified reporter] We also want to touch on the confidentiality issue. President Cristiani accused the FMLN of violating the confidentiality commitment by announcing its proposal days ago.

[Martinez] On that regard, we understand that the Communications Secretariat of Mr. Mauricio Sandoval denied that the government circulated a document that government delegates supposedly presented to the FMLN during the dialogue. The positions of both parties were leaked. We have respected our confidentiality promise. We have tried very hard to prevent leaks of what was being discussed in the meeting. However, it is apparently advantageous to others that they be known, that the good development of the negotiations be disturbed.

I would like to add that Cristiani is making a big scandal over the alleged leak of government and FMLN documents and argues that the confidentiality agreement was broken. We believe that Cristiani is the one who is breaking the confidentiality principle virtually every day. At every opportunity he talks about the negotiations and the government's position in the negotiations, and even criticizes the FMLN's positions at the negotiation table.

We were still holding talks in Caracas when he accused the FMLN of delaying until 1991 our decision to end the war. This was an issue under discussion, not as an FMLN position, but as part of a possible negotiations calendar to end the war more or less by that date.

He is arrogating for himself the right to [words indistinct] talk about any issues, even confidential ones that are under discussion at the negotiating table. However, for him this does not constitute a break of the confidentiality principle. We believe that this is a demogogical attitude that lacks seriousness and leaves much to be desired about the seriousness that the president should have toward agreements signed at the United Nations.

On several occasions, UN Secretary General Perez de Cuellar has had to make several discreet observations because the Salvadoran Government has been insistently publishing pieces in the press when there were no final agreements yet that were suitable to be revealed to the public. We believe, I repeat, that this is demagogical, because this makes him appear as not serious, and to a certain extent, not very responsible, politically speaking, toward the negotiations.

Organizations Request OAS Mediation

PA0106042290 Mexico City NOTIMEX in Spanish 0206 GMT 1 Jun 90

[Text] Mexico City, 31 May (NOTIMEX)—Representatives of Salvadoran popular organizations proposed here today that the OAS mediate in the armed conflict in El Salvador.

At the end of a meeting between members of the Permanent Committee for the National Debate on Peace (CPDN) and the Salvadoran guerrillas, they indicated that the OAS could use "its good offices" to find a political solution to the Salvadoran crisis.

CPDN member Amada Vilatorio said that they will ask OAS Secretary General Joao Baena Soares to intercede in the negotiations between the Salvadoran Government and the rebels so as to speed up the peace process.

The CPDN, which includes more than 73 organizations, also asked that it be permitted to participate in the dialogue between the Farabundo Marti National Liberation Front (FMLN) and the political parties. A meeting between the FMLN and the parties was held a few days ago in Caracas, Venezuela.

The FMLN and the political parties held talks separate from the negotiating process that the rebels carried out with representatives of President Alfredo Cristiani's government on 16 May.

After the Geneva agreement between the government and the FMLN, it was decided that the political parties and all the country's social forces would participate in the talks.

Vilatorio said that since the Caracas meeting and the subsequent meetings between the social forces and the guerrillas in Mexico, "the reaction in El Salvador has been very positive because one sees it is a serious process that is on the right track."

FMLN Commander Shafik Handal said that there is increasing national resolve in El Salvador to achieve a negotiated political solution to the armed conflict the country has been experiencing for more than 10 years.

"El Salvador is experiencing a very important historical stage in the armed conflict," Handal, one of the five members of the FMLN General Command, said.

Venceremos, Other Reports on FMLN Attacks

PA0106010190

[Editorial Report] San Salvador Canal Doce Television in Spanish at 0420 GMT on 24 May broadcasts three military reports on clashes between FMLN (Farabundo Marti National Liberation Front) guerrillas and Salvadoran Army troops.

The first report states that according to military sources, "an Army soldier and five guerrillas were wounded in a clash with 4th Infantry Brigade units in La Laguna, Chalatenango Department on 22 May." The report adds that Army troops confiscated large quantities of war materiel left behind by the rebels.

The second report states that a Belloso Battalion soldier was killed in an ambush carried out by the guerrillas at (El Ajuste) Creek, San Jose Guayabal Jurisdiction, Cuscatlan Department. No date was given for this report.

The final report states that according to military sources, a civil defense member was killed at noon on 23 May during an attack carried out by the FMLN in Monte San Juan, Cuscatlan Department.

At 1200 GMT on 25 May, Venceremos broadcasts more reports on clashes between FMLN guerrillas and Salvadoran Army troops.

The first report states that at 0715 on 23 May, FMLN snipers shot at soldiers near San Isidro, La Libertad Department, inflicting three casualties. The report ends by saying that a total of 27 casualties have been inflicted on the Bracamonte Batallion in Chalatenango Department as a result of an Army operation, which began on 22 May, but no further details were given.

The next report states that at 0730 on 24 May, guerrilla units clashed with 5th Brigade troops in (Los Piraetas), San Ildefonso Jurisdiction, San Vicente Department. An Army casualty was reported in this clash.

San Salvador Radio Cadena YSKL in Spanish at 1200 GMT on 26 May broadcasts a report on FMLN sabotage in San Salvador. The report indicates that "FMLN urban commando units sabotaged seven electrical towers in the capital." In addition, an explosive device was thrown into a patrol car, but no casualties were inflicted. No date was given for this report.

Human Rights Commission Criticizes Government

PA3105201890 San Salvador Canal Doce Television in Spanish 0300 GMT 30 May 90

[Text] The National Republican Alliance [Arena] means a year of unfulfilled promises for the nongovernmental Salvadoran Human Rights Commission [CDHES]. The general framework that preceded the new government and its current image has been plagued by controversy with opposition sectors, which are known as the country's third force. In his speech the day he took office on 1 July 1989, Cristiani said his government would carry out all its acts within the constitutional framework so that the de jure state would become a support for representative democracy and serve to safeguard against all abuses of authority. However, after one year, the CDHES considers this to be representative demagoguery and says that the following analysis points this out:

[Begin CDHES spokesman Celia Medrano recording] We have on record the cases of 2,074 apprehensions, 249 missing people, and 3,219 people murdered. The highest number of murders took place during November and

December 1989, and I have broken the figures down as follows: For murders we reported 2,868 cases by the Armed Forces, 67 cases by the FMLN [Farabundo Marti National Liberation Front], by unidentified people.... [sentence incomplete as heard] [end recording]

Celia Medrano said this has taken place against the backdrop of intense persecution against the church, attacks on the press, and a policy of aggression and defamation against the people's sectors, in addition to the intense violence that preceded the November events.

[Begin Medrano recording] We have taken into account positive and negative points, but regrettably the negative points outnumber the positive points during this period of government work. We would first like to point out that Archbishop Msgr. Rivera y Damas' statement that Cristiani's year in office has not fulfilled the promise of caring for the poorest of the poor is very true. We would like to say that we consider all these programs carried out with international funds and foreign donations as palliatives that are not aimed at wiping out the causes of the country's poverty. [end recording]

The CDHES said that these concepts permitted detecting serious deficiencies, especially in human rights and in political and economic work. The Cristiani government has failed to guarantee the precepts of legality, security, honesty, and freedom that were promised at the start of the Arena government, especially by its allowing the Armed Forces to act with impunity. As an example, the Jesuit murder case is cited, in which the CDHES upholds that it is naive to overlook the fact that the investigations have only advanced due to strong U.S. pressure. They believe that advances in respect to individual rights will also depend on the negotiations made within the shaky dialogue process, where, according to the CDHES, a serious, proper, and true process should take place.

Editor Condemns Attempt To 'Kidnap' Reporter

PA0106041690 Paris AFP in Spanish 0219 GMT 1 Jun 90

[Text] San Salvador, 31 May (AFP)—Three soldiers, in civilian clothes and heavily armed, today raided the offices of newspaper DIARIO LATINO, located in downtown San Salvador, to kidnap one of its reporters, editor Francisco Valencia reported. He said that three men, who identified themselves as members of the Armed Forces, entered the building this morning to "kidnap" reporter Sara Abelenda, but the newspaper's employees foiled the attempt.

While the three agents were trying to capture the reporter inside the building, other individuals were parked outside in a car with tinted glass, the DIARIO LATINO editor reported. Valencia said the incident is part "of an intimidation campaign against DIARIO LATINO," and asked the Army General Staff to explain the harassment against his newspaper. He also said that over the past few days, several anonymous threats have been received at the editor's office, which coincides with the constant presence of soldiers around the newspaper. Founded 100 years ago, DIARIO LATINO is the country's oldest newspaper. Since last year it has been managed and edited by its own employees because the editorial house went bankrupt.

Guatemala

Gen. Bolanos: Army 'Will Support' Agreements

PA3005042590 Madrid EFE in Spanish 1747 GMT 29 May 90

[Text] Guatemala City, 29 May (EFE)—Defense Minister General Juan Leonel Bolanos has said that the Guatemalan Army will support the agreements reached during the talks with the Guatemalan National Revolutionary Unity (URNG), adding that the Army is waiting for the results of the Madrid meeting.

Leaders of nine Guatemalan political parties are holding a three-day meeting to search of solutions to end the 30-year war in Guatemala. The meeting is being held in San Lorenzo de el Escorial, 50 km west of Madrid.

Guerrilla representatives and political leaders announced their determination to attain peace on the first day of the talks, but the rebels made a proposal on 28 May to deliberately extend the time before reaching a permanent cease-fire agreement.

Gen. Bolanos said that the Guatemalan Army will "fully" support the outcome of the Madrid talks as long as the Constitution and the "Esquipulas II" agreements are respected.

The defense minister added: "We support any initiative that will effectively lead to a national reconciliation."

Gen. Bolanos also "praised" efforts being made to reincorporate the rebels into the democratic process. He said that he hopes the URNG will show good will and not waste time reorganizing militarily.

Gen. Bolanos also stressed that the Army supports the peace talks being held in Spain between the rebels and the political parties, including the ruling Guatemalan Christian Democracy Party, with the mediation of the National Reconciliation Commission (CRN).

Even with the talks underway, one Army officer and four soldiers have been seriously wounded by a "booby trap" mine that exploded while they were patrolling an area in the San Marcos Department, in northwest Guatemala.

Army Spokesman Colonel Luis Arturo Isaacs has said that the guerrilla groups still operating in Guatemala are living in the past because they have not taken heed of the fact that the URNG is holding talks with the Guatemalan political parties in Spain.

He added that while the talks are progressing, guerrilla groups operating in Guatemala are determined to destroy the infrastructure and mercilessly attack groups of soldiers.

Col. Isaacs concluded: "They are living in the past and are not aware of the talks being held in Spain. We wonder if they are disobeying orders or if, by their actions, they are trying to exert pressure to make the government believe that they are strong."

Hopeful of Talks With Rebels

PA3105215690 Guatemala City Teleonce Television in Spanish 0400 GMT 31 May 90

[Interview with Defense Minister General Juan Leonel Bolanos Chavez by unidentified reporters; place and date not given—recorded; monitored in progress]

[Text] [Bolanos] There was some concern because any decision adopted during these rapprochement talks had to be in accordance with the Constitution and the Esquiplas II agreements.

[Reporter] Will there be a short-term or long-term deadline for the Army to honor the direct talks with these people?

[Bolanos] If you were to analyze the contents of the document signed by the National Reconciliation Commission and the rebels you would see that they have agreed on the political and ideological premises advocated by the National Reconciliation Commission. The rebels will hold rapprochement talks with representatives of the political parties, later they will talk with groups that represent the Guatemalan people, and then they will talk with the government. This will be done as long as they abide by the Esquipulas II agreements. We must not forget that the Army is part of Guatemalan society and the Guatemalan Government represents Guatemalan society. Therefore, we are part of the Guatemalan Government.

[Reporter] General, do you feel that the country is ready to guarantee the safety of those rebels who will join the political process of the country?

[Bolanos] First, we must reach an agreement. After that we would have to study ways to guarantee this safety. I am happy because I have heard that the talks have been held within a positive framework and that there is a will to continue the process that began in Oslo approximately a month ago. Therefore, we hope the Madrid talks will conclude as expected. I am viewing this meeting in a way that I believe all peace-loving Guatemalans should view it. We all hope that someday, perhaps very soon, peace in Guatemala will not only be signed, but also attained and experienced. We are not only hoping for peace without bullets, but also for social peace. Those of us who think in this way and want peace, have much hope. We are seeing changes taking place all over the world, in East Europe and in Central America. The desire for peace that is growing in this country is the same desire for peace, freedom, and democracy that is growing in almost every country in the world.

That the MLN [Nationalist Liberation Movement], that Mario Sandoval Alarcon is at this moment sitting down to talk with those who were his enemies and with whom we never thought he would talk, impresses me. That is the type of change of attitude and mentality from which all Guatemalans must learn. It proves that we really want to attain peace and that we are not talking just for the fun of it. I honestly do not believe that the time is right for talks between the Army and the rebels. I think that we must still mature and make more progress. However, when the time is right, we will welcome that opportunity. I believe this is a giant step that we are taking, but we must take it slowly to ensure the success of the talks. It would be a shame to speed up the process and fail because of it. I believe that we must take it step by step, abiding by the premises established in Oslo. When the time is right, then the two parties in conflict—the government and the rebels—can sit down and solve the problem. However, I believe that this must be part of a process. I honestly believe that the talks on the Guatemaln politics and process involving the government and the rebels must take place when conditions are right. I believe this takes time; the road to be followed is not an easy road, but I do believe that we will be able to overcome all obstacles.

We have the perfect example in Colombia. The rebels were acting outside the law and now they have their political party. Legally speaking, they recently participated in an election. However, to reach this point, they had to go through an entire process. They had to lay down their weapons and reach agreements. This i. the way we hope it will be in Guatemala.

URNG, Parties Issue Separate Statements

PA3105003990 Guatemala City PRENSA LIBRE in Spanish 30 May 90 p 2

[Text] Members of the political organization comprised of the country's legally registered parties and representatives of the Guatemalan National Revolutionary Unity [URNG] each released statements at the end of the first round of talks being held in Madrid, Spain.

Political Parties' Statement

According to the statement, a document entitled "Basic Agreement To Find Peace Through Political Means," the representatives of the National Reconciliation Commission [CNR] and the URNG are participating in these talks with firm determination to resolve national problems through political means.

The political leaders pointed out their good intentions so that the meeting could become a serious step toward attaining peace in our country. This peace is essential for

the overall development and well-being of all Guatemalans and to consolidate the democratic process with complete the obedience of the de jure regime.

Consequently, the leaders agree with what the Guatemalan Constitution stipulates, that a solution to the nations's problems should be sought by means that permit all Guatemalans to participate in a genuine democratic regime, in which all ideologies can be expressed.

The document finally says: We trust that the URNG leaders can also can express a true willingness to overcome personal disagreements and contribute toward finding a political solution to the serious problems of the country.

URNG's Statement

In its document, the URNG states that, in response to the desires, expectations, and hopes for peace that the accords elicited in a majority of the Guatemalan people, all the forces that advocate peace and social justice in the international community are willing to make headway in the process and find a political solution to the internal armed conflict that the country has been sustaining for 30 years.

The document continues: As in San Jose, and in Oslo in 1987, our presence here in Spain occurs within the framework of the effort, reiterated again and again by the URNG, to find a political solution to the grievous crisis that Guatemala is passing through so that the country can start on its way toward economic progress and peace based on social justice and true democracy and in accordance with the current world's requirements.

The URNG and the political parties emerged and joined forces to struggle for true democracy and national sovereignty and against social injustice, misery, and backwardness. They joined forces to eliminate discrimination and struggle for the right to life and peace.

They underline that a political solution is for them a gradual process in which a number of political adjustment measures are to be applied to create the essential conditions for ending the armed conflict.

In addition, they consider it necessary that the political parties are a mechanism to express the interests of the various sectors of the Guatemalan people and that their daily political activities are oriented toward advancing those interests.

To fully accomplish this, the document concludes, it is necessary to have a climate of freedom without pressure of any kind and without any strings attached.

The talks continued today. The involved parties keep their mouths tightly shut as part of agreed upon restrictions. The resolutions will be released when the meeting in Madrid concludes.

Politicians' Viewpoints on Madrid Talks Outlined

PA0106041790 Guatemala City Teleonce Television in Spanish 0400 GMT 31 May 90

[Text] On the [words indistinct] day of the talks being held in Madrid, Spain, among leaders from the National Reconciliation Commmission, the Guatemalan National Revolutionary Union (URNG), and various political parties, delegates from the aforementioned groups carried out internal consultations and kept in continuous communication with their representatives in Madrid.

The presence of the National Liberation Movement [MLN]—particularly its leader Mario Sandoval Alarcon—among the group of political parties represented at the San Lorenzo del Escorial talks in Madrid, Spain, is very significant. For the first time, Alarcon has sat down at the negotiating table with guerrillas leaders. For many sectors this is the most surprising and spectacular element of the Madrid meeting.

Explaining this change in attitude after his usual intransigent position toward insurgents, Sandoval Alarcon has reportedly said that world conditions have changed, that there are fundamental changes in Europe, and that we see what is happening in Nicaragua and El Salvador. It has been proven that violence is no solution to political problems, Sandoval Alarcon said. He has been described this week by the Spanish media as a historic figure in Guatemalan conservative thought.

Referring to the spirit of the meeting, Mario Solorzano Martinez, another politician attending the Madrid talks—whose party, the Democratic Socialist Party, has been termed in Guatemala as the MLN political counterpart—said it is necessary to reach points of agreement that will permit having an overall view of national interests rather than of personal interests. Solorzano said that within this line of action, the dialogue between the Salvadoran guerrillas and government, and the dialogue that is opening in Guatemala with the guerrillas, could represent a fundamental step to attain peace.

Catalina Soberanis, a prominent political leader attending the meeting that is about to end, who represents the ruling Christian Democratic Party, said that if the bases to hold a new meeting with the guerrillas are established, it is probable that the URNG General Command may decide to hold talks with the government. This would begin the final stage of the armed clashes. Catalina Soberanis said that it is indisputable that the Esquipulas II meeting and the agreements signed by President Vinicio Cerezo and four other Central American presidents are the cornerstone that made holding this dialogue possible.

Political Parties, Guerillas Reach Agreement

LD0106093590 Madrid Domestic Service in Spanish 0900 GMT 1 Jun 90

[Text] The Guatemalan guerrillas and political parties and the Guatemalan [National] Reconciliation Commission have reached an important agreement which they

are about to make public in El Escorial [near Madrid] and which is a very significant step forward in ending the civil war. The guerrilla movement agrees to an immediate ceasefire and its participation in a constituent assembly which will reform the Guatemalan Constitution. Moreover, the political parties accept the disbanding of the civil self-defense patrols, paramilitary groups which carry out tasks of repression.

Commentary Accuses Cerezo of Demagoguery, Waste

PA3005225690 Guatemala City EL GRAFICO in Spanish 18 May 90 p 9

[Editorial: "The 'Let Us Talk' Program Is Being Politicized"]

[Text] The evening newspaper LA HORA made an interesting analysis on 17 May of the reasons why the president is challenging potential presidential candidates to a debate on the tedious and boring "Let Us Talk" program. There was another president who loved to call radio and television stations and make Guatemalans listen to his sermons. President Cerezo, in view of his deteriorating image, has decided to engage in free political campaigning. It is evident that the president feels very comfortable in front of the television cameras because he reminisces about his campaign days five years ago when he promised, with his verbosity and demogoguery, to erradicate corruption, inflation, violence, nepotism, and political favoritism, and to make the value of the quetzal closer to the dollar, and so on. Unfortunately, those were only promises because it is obvious that he failed to deliver.

The president has repeatedly begged Guatemalans "to believe in him," tacitly admitting that he has lost credibility and that he can no longer convince even his closest associates. The Guatemalans do not expect to hear rubbish from their president or expect to see him debating presidential candidates because he is no longer a candidate. They expect him to asume his responsibilities as the president of all Guatemalans; they expect him to really work, which he has never done, on solving national problems. Candidates only aspire to govern; the president is already governing. Guatemalans are already experiencing the effects of his mistakes and those most affected are the poor and the middle class, because Cerezo and his collaborators have already become millionaires.

How can the president attempt to deny that during his administration the cost of living rose shockingly? How can he deny that the cost of public services rose excessively? This year alone, electricity rose 60 percent, fuel 50 percent, transportation 100 percent, and real estate and water taxes another 100 percent. How can he deny his administration's wastefulness, when he has been accompanied by huge delegations on his trips and has chartered an Aviateca Airline plane so that he could fly to Europe in comfort? How is he going to convince the people that the three ministries created during his administration, for the purpose of giving positions to male and female friends, have done something positive instead of being just a drain on the treasury? The president would have to be very barefaced to deny that government vehicles, equipped with drivers and gasoline and paid for by the people, are being used in the electoral campaign for the candidate that he has chosen as his "successor." Nor can he deny that members of his administration have been implicated in various acts of corruption. The list is very extensive, although not a single implicated official has been brought to trial. On the contrary, they have been promoted to new public posts. Can he deny that the levels of violence and human rights' violations are as high as those that the president himself has criticized about the military governments of the past or that the budget deficit has risen from 300 to 900 million [currency not given] a year during his administration? Can he deny that the special funds [fondos privativos] like the 90 million [currency not specified] that the Social Security Insitute had deposited in local banks and the 40 million quetzales that belonged to Guatemalan Telecommunications Enterprise have been depleted? What was the money spent for if hospitals are without medicines and staff; the schools have neither teachers nor desks; and the highways are in disrepair, etc.? The people expect actions, not words, because they are sick and tired of demagoguery and lies.

National Bus Service Returning 'Slowly'

PA3105001390 Guatemala City Teleonce Television in Spanish 0400 GMT 23 May 90

[Text] After the Interior Ministry took over the first four companies in the striking group, bus service slowly began to return to normal on 22 May. This happened because of an agreement between President Vinicio Cerezo and city Mayor Alvaro de Heredia. This was the third attempt by the authorities to reestablish this service after the initial failure of the muncipality-decreed intervention against the companies. At the same time, a community request to militarize these cooperatives was rejected.

Since 22 May, the Civil Protection System has been showing up at the companies with the greatest number of buses to implement the Interior Ministry's intervention orders. National policemen, off-duty military men, and Treasury guards were seen at the various bus depots, owned by several consortiums, among them Reforma and Florida located on San Juan Avenue, Zone 19; Eureka in Zone 3; and Union in Zone 5.

The doors of some of these businesses had to be forced to allow the entry of Municipal Affairs Judge Carlos Flores. Judge Flores, who was following legal guidelines, had to prepare a notarized report on the authorities who entered the various businesses and check the condition of the buses. In many cases it was determined that the buses lacked key parts needed for operations. This factor played a role in the attempts last week to thwart municipal intervention.

The bus drivers, who are against the strike, showed up in an attempt to drive the buses again. They have been in open conflict with their bosses since last year. Some drivers disclosed that they have been threatened with reprisals from their bosses if they helped put the buses back on the road.

Municipal mechanics checked the buses, and because there were still no people available to drive, community drivers or government drivers were used. Many of them have been driving vehicles provided by the government in an effort to ease the crisis. Meanwhile, the mechanics have begun listing the essential parts needed for the buses and to restore service.

U.S. Teacher Wounded in Language School Attack

PA2905165490 Panama City ACAN in Spanish 1626 GMT 29 May 90

[Text] Guatemala City, 29 May (ACAN-EFE)—The police reported today that eight unidentified men attacked the Summer Linguistics Institute in northern Guatemala City and shot and wounded the institute's director, Joan Mason, who is a U.S. citizen.

According to the reports, the eight gunmen violently broke into the institute and demanded money from the students, who are of Canadian and U.S. citizenship. When they failed to get it, they fired on Mason, who is 43 years old.

The authorities said that the director of the institute, which teaches Spanish, suffered a gunshot wound in a shoulder blade and two blows to her face.

The eight men left the institute after the attack.

Nicaragua

Enabus Managers Reportedly Pressured To Resign

PA3105152790 Managua Radio Sandino in Spanish 1200 GMT 25 May 90

[Text] Enabas [National Enterprise for Staple Foods] regional managers resigned their posts en masse yesterday due to pressures exerted by Ignacio Velez Lacayo, the institution's new director.

According to the six Enabas regional managers, one of the methods used by Velez to force them to resign was to completely take away their authority to conduct any commercial transactions. The new director questioned the managers' honesty, even though they had remained in their posts to support government efforts at the request of the new government and following the advice of former Enabas director Commander William Ramirez.

Velez also questioned the managers' professional aptitude, ironically informing them that they would be replaced by INCAE [Central American Institute of Business Administration] graduates.

The resigning managers expressed their disagreement with the privatization of enterprises advocated by the new Enabas director, a decision that totally eliminates the social characteristic under which the institution functioned for the benefit of the great majority.

According to the managers, who had received instructions from Velez to drastically reduce the purchase of staple products, the commercial activities of Enabas are virtually paralyzed, and Enabas will no longer guarantee the existence of enough supplies of most of those products. The purchase of products such as deodorant, toothpaste, and bread was suspended by the new director.

The Enabas managers who resigned en masse yesterday are Veronica Quezada, Roberto Salgado, Donaldo Munoz, Jesus Blanco, Eira Reyes, and Hector Lacayo. They were Enabas managers in the country's six regions.

Other Enabas officials who tendered their resignations are: Gerardo Bravo, Enabas central marketing manager; Francisco Medrano, store representative in the fifth region; and Ricardo Morales Aviles, delegate in the fourth region. Marta Diaz and Amparo Duarte, [words indistinct] also resigned.

Government Compliance With Accords Demanded

PA3105155490 Managua Sistema Nacional de Television in Spanish 0330 GMT 30 May 90

[Text] Hundreds of workers marched from the CST [Sandinist Central Organization of Workers] to the Presidential House today to demand compliance with the accords signed between the current government and the workers.

A police cordon (?prevented) the workers from getting close to the Presidential House, but not from rallying at the Pedro Joaquin Chamorro Plaza.

[Begin CST Secretary General Lucio Jimenez recording] We have drafted a letter to Violeta Chamorro in which we inform her of the violations of the accords we signed, make proposals, and present demands. We are proposing a meeting to discuss the contents of this letter. We have asked for time because the people are waiting for us outside. [end recording]

At the Presidential House, the CST representatives delivered a document that proposes holding a meeting on 1 June in which both the violation of the accords and pending demands will be discussed.

[Begin Jimenez recording] We have been authorized by the CST Assembly to exhaust all of the resources of communication, negotiation, and dialogue. We are here in compliance with this mandate. We expect this government to respond with flexibility and to make an effort to understand us. There is a real problem created by an economic policy that has left dozens of workers jobless and threatens to lay off thousands of others. We are being subjected to tremendous pressure. We are entitled to protest and be heard. If the government fails to

respond, then we will see what we can do. In such a case, our assembly would have to meet again and give us another mandate. [end recording]

Contra Commander Ramiro Killed by Fellow Contra

PA0106022090 Managua Radio Sandino in Spanish 1930 GMT 31 May 90

[Text] A high-ranking counterrevolutionary commander was shot to death by another contra in a security zone. Commander Ramiro, whose real name was Hector Fajardo, chief of the so-called Jorge Salazar Counterrevolutionary Battalion No. 3, was shot to death last night in La Pinuela security zone No. 4, in Region Five.

The killer is known as Danto. He is the chief of operations of the contras' Jorge Salazar Battalions No. 3 and No. 4. It has been confirmed that the body of Commander Ramiro, who was hit by several rifle shots, is at the Juigalpa Hospital. An official at the hospital morgue said the body of Hector Fajardo will be transferred to Jalapa.

FSLN's Use of Funds Reportedly Annoys Soviets

PA0106042090 Managua Radio Catolica in Spanish 1130 GMT 31 May 90

[Text] Soviet Embassy Officials in Managua are annoyed by the Sandinists misuse of donations to the Nicaragua Government. Sources close to diplomatic circles have said that the Soviet Embassy has expressed its discontent to the FSLN [Sandinist National Liberation Front] because of the use they made of some donations. One of the specific cases mentioned is the 75,000-watt radio equipment installed in Esteli being used as repeater for the La Voz de Nicaragua, now called Radio Nicaragua. FSLN personnel took away from the aforementioned station a very expensive control panel and other equipment to be used at an FSLN radio station operating in Managua.

The donation was made to the Nicaraguan Government, not to the FSLN, the source said. This has been expressed by the Soviets to the Sandinist leadership, which has also used equipment from other government radio stations to set up and boost its radio stations. This situation will be investigated by the Attorney General's Office and by Telcor [Nicaraguan Telecommunications and Postal Services], which is among those affected, the source added.

Ortega Comments on People 'Kidnapped' by Contras

PA0106022190 Managua Sistema Nacional Television Network in Spanish 0330 GMT 31 May 90

[Text] Commander Daniel Ortega today dedicated work in El Rosario, Jinotepe. Thousands of townspeople greeted him. Residents of El Rosario, 100 km from the city of Jinotepe, greeted the Sandinist leader. The mostly Sandinist population gave Daniel a warm welcome. The mayor reported on the work carried out in the city during the 10 years of his administration. The building of one medical center, 22 paved streets, one school center for more than 1,500 students, access roads, and other works form part of the achievements due to community work.

Ortega referred to the people kidnapped by the contras.

[Begin Ortega recording] There is much talk these days about the disarming of the contras. The contras have until 10 June to be disarmed. However, little is said about the people kidnapped or made to vanish by the contras.

I want to say that the current government committed itself to delivering to the UN Observer Group in Central America [ONUCA] and the International Commission of Support and Verification [CIAV] a list with the names of the people who have vanished or been kidnapped so that ONUCA and CIAV personnel in the camps in Honduras and in the regions where the contras have concentrated in Nicaragua may carry out investigations into the whereabouts of those who have vanished or been kidnapped. I hope the government has fulfilled its commitment. [end recording]

At the conclusion of the ceremony, Daniel dedicated the Augusto Cesar Sandino Park.

Presidency Issues Decree on Housing Bank

PA0106010590 Managua Radio Corporacion in Spanish 1200 GMT 30 May 90

[Decree No. 14-90 issued by the Presidency]

[Text] The president of Nicaragua, exercising her authority hereby decrees:

Article 1. This is to reform Article 2 of Decree No. 44 of 15 August 1979 on urban planning and the Housing Bank of Nicaragua under the administration of the Housing Ministry. This decree was published in Gazette No. 8 of 11 September 1979.

Article 2. The mayor of Managua will replace the Housing Bank of Nicaragua Directorate and the president of that bank in fully exercising legal representation over the Housing Bank of Nicaragua and in assuming responsibility over all the functions envisaged by the law forming the National Savings and Loan System. All references to the directorate will be ignored.

Article 3. This decree will take effect the moment it is made known by the media although its publication in the OFFICIAL GAZETTE or daily may take place at a later date.

Managua, 25 May 1990

[Signed] Violeta Barrios de Chamorro, President of Nicaragua.

Commentary Questions New Government's Stability

PA0106041590 Managua Radio Sandino in Spanish 1200 GMT 31 May 90

[Station commentary]

[Text] Acting behind the people's back, yesterday morning Violeta Chamorro's government signed a political strategic alliance with the contras granting them concessions and giving them political quotas comparable to those granted and given to a victorious army. Perhaps because of the announced plan by members of the political council and their former alliance that gave her the Presidency to create a power vacuum that will force her to step down in three years, Violeta Chamorro has begun to [words indistinct] the contras. Yesterday's agreement, the so-called Managua Protocol, betrays the pain felt and blood spilt by thousands of Nicaraguans in the hope for respect of national [words indistinct] and the 50,000 dead who defeated imperialism's armed branch and the [word indistinct]. To integrate the contras into an institutional armed forces and to give them large areas of land to control and huge economic and material resources contradicts the [words indistinct] reconciliation, at a time when mothers, orphans, and war disabled are being abandoned by the government. Mrs. Chamorro has offered to do all within her power to repatriate the contra families, their sick, and disabled. That is all fine, but when is she going to do something about the kidnapped persons? Why is there so much disregard for those who were affected by the war and who are not contras? Obando y Bravo, one who signed all the agreements, has never called for a real disarmament and demobilization of the contras. He has never expressed concern for the future of the displaced or the killings carried out by the contras. If Mrs. Barrios and her technocrats were worried about the power vacuum being announced by her former allies [words indistinct], then why does she not do something for herself with help from her real constituents. According to the agreement, at least 15,000 contras will be demobilized by 10 June and more than 10,000 men will remain at arms; a real threat to her government. Who is going to defend her from them?

While the United Nations, the OAS, and the Group of Rio abide by the disarmament and demobilization agreement, [words indistinct] Mrs. Chamorro is giving the contras concessions, thus pleasing the imperialists. The idea of [words indistinct] weapons and allowing them to return to their place of origin is [word indistinct] threat that those who abandon the area are running the risk [words indistinct]. The announcement of that protocol, or agreement, is no gift for the Nicaraguan people. How could this be considered a gift, especially by mothers, when the spectre of war remains alive after 10 years of struggle during which the contras were never able to seize a single inch of land in Nicaragua. It does not help the contra combatants who will live permanently within military structures despite the fact that they are tired after so many years of an unsuccessful struggle during which they were away from their mothers, women, and children. On the other hand, political revenge is heightening and the killing of Sandinist party member Ricardo Jose Zeledon at his home in Matagalpa leaves us with the question: How much longer will this [word indistinct] continue?

* Goals of UNO Government Outlined

90CA0028G Managua LA PRENSA in Spanish 16 Mar 90 p 3

[Interview with Dr. Emilio Alvarez Montalvan by Pedro Xavier Solis; place and date not given; first seven paragraphs are introduction]

[Text] Nicaragua is going through a period that historians and political scientists are describing as "unique in its 169 years of independence." It is the first time that the opposition has taken control of the government by peaceful means.

During the period of the "30 Years" after the National War, power was transferred through the ballot box, but the successor represented the same interests as his predecessor.

Nicaraguan and Latin American social scientists regard what is happening in Nicaragua as a landmark in the struggle to establish democracy throughout the continent.

Besides breaking with the past, the elections of 25 February open up a new path for our continent's future, "as a government with totalitarian tendencies has been removed by a democratic one through the power of the 'popular vote.'"

In the midst of these prospects LA PRENSA succeeded in getting an interview with Dr Emilio Alvarez Montalvan, a physician and talented social scientist who is an expert on Chilean democracy, the oldest in Latin America.

Dr Alvarez Montalvan, whose philosophy is conservative yet one of refined pragmatism, focuses on the touchiest issue that will confront the future government of Mrs Violeta Barrios de Chamorro: "militarism."

[LA PRENSA] We have experienced a peaceful revolution. The paradox may be that the new government will be strong yet also suffer from the weaknesses inherent in democracy, which the French philosopher Francois Revel has studied. For example, the new government has an obligation to allow even the totalitarian views that are still around in Nicaragua. What will the dynamics of democracy in this new context be like?

[Alvarez] This is the first time that an opposition has become the government and the first time that a government has become the opposition without weapons playing a part. In the past the relationship between government and opposition was always destructive,

since the government wanted to subjugate the opposition, or exile, jail, or bring it to its knees.

The new government has a dynamic task. The recent elections are just the first step. The new government must spur the democratic reforms that will insure peaceful coexistence for us Nicaraguans. The first is to reform those articles of the current constitution that retain the Marxist-Leninist seal of the early years of the Sandinist revolution and that the February elections have now made a thing of the past. The second frontier is to give the country a reliable, independent, and effective judicial system, because the current one doesn't meet minimum conditions. The third stage is to demilitarize the Nicaraguan State, which is weighed down today by an overly large and costly military force. The fourth goal is to clearly establish the predominance of a market economy with social responsibility. To this end the centralist role of the State must be eliminated, and the rules of unfettered competition must be set forth. The fifth and last reform would contain provisions to allow compensation for the injustices committed over the past 10 years against citizens of this country who were stripped of properties that they had acquired honestly.

At bottom the point is to establish a common multiple so that the country does not remain deeply divided and so that society becomes homogeneous. This entails the acceptance of certain accomplishments that the revolution has contributed, the rejection of others, and the decision to pass new laws.

Contrary to what people think, democracy is more complicated and undergoes more adjustments than a totalitarian government. For example, the Executive Branch will now have to work things out with Congress, and Congress will have to articulate a new policy born of a multiparty system. It will be an extremely fruitful, varied experience that will perhaps be a bit confusing at first and that in the end will change the ground rules of local politics.

[LA PRENSA] Such a change will obviously force the FSLN [Sandinist National Liberation Front] to redefine itself ideologically. Moises Hassan said that the tendency of the FSLN is towards disintegration. In what direction do you think it will evolve?

[Alvarez] Governments have what could be called centripetal force, inasmuch as power in itself entails an ability to bring people together. I think that Sandinism is going to evolve towards a sort of leftist Social Democracy, which is the direction that Marxism took in Western Europe. Leninism is what spoiled Marxism. Marxism as an interpretation of history and as a philosophical thesis is original. It was the qualitative changes that first Lenin and then Stalin made in it that spoiled Marxism.

[LA PRENSA] What kind of job has the Sandinist Front done over the past 10 years?

[Alvarez] Ten years do not pass without leaving their mark. The list of positive things includes: the FSLN's decisive role in overthrowing the Somoza dynasty; the dismantling of the large, idle estates; the concern about organizing low-income people; the preponderant role that they gave to youth groups, and promoting a status for women equal to that of men.

Unfortunately these successes were eroded by fostering abuses in each of them. They not only confiscated idle land but also appropriated agricultural enterprises that were fully operational. It was not enough for them to teach people to become involved in the development of their community; they also turned them into cogs of a partisan machine. They did not content themselves with mobilizing youth groups; rather, they militarized them and sent them off to the civil war, leaving a toll of the disabled and slain.

On the negative side proper we must note that they sought to implant a model that the local culture rejected. In 1979 this was a country that was turning into a republic of small and medium-sized owners; medium-sized holdings accounted for 77 percent of rural properties. Moreover, they persecuted ethnic minorities under the pretext of civilizing and modernizing them; what they succeeded in doing was to turn them into their most stubborn adversaries. And they embroiled themselves in a confrontation with the church hierarchy and were bent on imposing a People's Church that represented a small, sophisticated elite whom no one understood, astonishing the citizens who remained faithful to their pastor, Cardinal Miguel Obando y Bravo.

[LA PRENSA] What will the new government's position on militarism be?

[Alvarez] Militarism has been Nicaragua's major historic trauma...Zelaya, Somoza, the 10 years of Sandinism. Militarism is one of the traits of underdeveloped countries. The new government's main challenge will be to place great emphasis on civilian rule. The army must clearly realize that it is subject to a civilian regime. As Jorge Luis Borges said: "Warfare is so important that it cannot be left up to the military." The military must be subordinate to a civilian authority.

The new government's position on the demand to professionalize the army is not a matter for debate, I think; the dual political-military role, which cannot survive, is. If military personnel demand respect as professionals, then they must respect themselves by not getting involved in politics.

The size of the army has become a very clear matter by this time: That many soldiers are not needed, because there is no civil war. As for the titles that that the Sandinists use, they are actually positions that they have invented and have nothing to do with the military hierarchy. Of course if they want to call themselves "commanders," as someone wants to call himself the "Marquis of Azucena" or the "Count of Miramar," well,

no one is going to stop them. But the title of "commander of the revolution" doesn't belong on official documents.

[LA PRENSA] How do you view the situation of the Nicaraguan Resistance?

[Alvarez] After every civil war readapting the army that was unable to win is always a problem. As it happens, this was also a problem with Sandino. When General Moncada came to power, Sandino, who belonged to the same party, did not disarm. And when the National Guard began to form, antagonism arose between the two sides. Sandinism did not disarm until Dr Sacasa arrived. Yet Dr Sacasa was caught between a National Guard that did not acknowledge him as its chief and a Sandinism that did not obey him. This triangle of hate ended with the assassination of Sandino, and Sacasa had to leave the country.

From the time that free elections were held, armed opposition as a recourse for confronting a military dictatorship has had no place here. But there ought to be a program to resettle this insurgent force, a program that will insure their personal safety and provide jobs. The problem is a real and human one. The fact that the Contras did not win does not mean that we can give them a slap on the shoulder and expect them to be back on the street.

[LA PRENSA] What will the facets of the new foreign policy be? Will the economic integration of the Central American countries be a priority for the new government?

[Alvarez] The top priority of the new government in international relations is to maintain relations with all countries, regardless of ideology, that can help us, because we're a country in convalescence, within the bounds of mutual respect, sovereignty, and noninterference in internal affairs.

The aid that has been announced for Nicaragua must not be just sufficient; it must also arrive soon. The new government is inheriting a disastrous economic situation. Wages have evaporated, and the cost of living has soared.

The second priority is to restore and strengthen ties among the Central American countries. This means placing emphasis on the regional common market at all levels and seeing to it that the citizens of these countries can circulate freely.

[LA PRENSA] What are Nicaragua's relations with the socialist countries going to be like? Will ambassadors be named to Vietnam, Cambodia, and North Korea?

[Alvarez] At this point the socialist world has disintegrated. It has been vanishing as a threat ever since Gorbachev undertook a restructuring and democratization of the Soviet Union. Therefore, I think that relations must be established without regard to ideology, as I said. Nonetheless, there are two conditions in international relations. Although on the one hand there should be no ideological prejudices, on the other relations ought to be based on mutual benefit. In the case of the countries that you mentioned, I don't think that it's worth having a consul there.

[LA PRENSA] Well, we've talked about Nicaragua and foreign relations. What can you tell us about the internationalists in Nicaragua?

[Alvarez] I view the problem of the internationalists in Nicaragua thus. First, they're adventurers. Second, they like to do humanitarian things. Third, they're fanatics. It doesn't upset me that they're adventurers; I like the fact that they're humanitarians, but I don't like the fact that they're fanatics. The internationalists who do not meddle in the country's affairs are no trouble. Perhaps the answer could be to encourage the presence of internationalists who sympathize with the Western model, such as the Peace Corps, for example. Respect for national rules is fundamental.

[LA PRENSA] I know that you were elected a member of the Nicaraguan Academy of Language. Under the old regime the academy was overseen by the Foreign Ministry. Do you feel that the academy ought to have autonomy?

[Alvarez] Autonomy is a privilege of academics, who do not have to be overseen or evaluated. What the government can do is to adopt a position of courtesy towards the academy; but there is no reason for it to exercise any sort of control over culture or cultural associations. This is typical of Marxist-Leninist regimes and is altogether repugnant.

* Daily Lauds FSLN SI Membership

90CA0028E Managua LA PRENSA in Spanish 19 Mar 90 p 2

[Text] The request that President Ortega submitted in Brasilia to President Carlos Andres Perez and Prime Minister Felipe Gonzalez for the FSLN [Sandinist National Liberation Front] to join the Socialist International [SI] has gone almost unnoticed, although it is a splendid piece of political news.

LA PRENSA hails it and regards it as splendid news because the request represents a public forswearing of the Marxist-Leninist mistake that the FSLN vaguely clung to during the entire decade of its outgoing government.

All Nicaragua still remembers that only 3 months after the Sandinist revolutionary regime took power, in September 1979, it gave limited circulation to a document from its assembly of cadres which "handed down" instructions and guidelines for implementing Marxist-Leninism in Nicaragua as a government plan.

The famous historic agenda was thus "unveiled." For the first time it was outlined to the nation in harsh, stark terms, confirming that it was not just a rumor from the

period before the uprising, a rumor stifled by the urgency of taking power with the support of all segments of society, as indeed happened.

According to statements in this document (known to history as "The Document of the 72 Hours"), "the real enemy is the imperialist power of the United States and, on a lower level, the eagerness of the local reactionary bourgeoisie to steal." They also called for "a new and different socioeconomic agenda of transition, which is the physical foundation on which the new revolutionary government must be established," thus evoking the crudest Leninist language and leaving no doubt among knowledgeable persons that the FSLN was preparing to implant Marxism-Leninism in our country as a government doctrine and practice.

Naturally, they never implanted it brazenly. Reality prevented them from doing so; in fact, it was not set forth in any legal statement of their program. Nonetheless, there were many Marxist-Leninist manifestations of the FSLN that forced the local and international political community to describe it as such. Its alignment with the orbit of the Soviet Union and Cuba left no doubt as to its intentions.

In his well-known address to the Socialist Party of Nicaragua in May 1984, Bayardo Arce, inviting that party's leaders to run a united campaign for that year's elections, told them that he had come to talk to them "about the approach that we communists ought to take to the electoral process," adding that "we have not declared ourselves Marxist-Leninists, so this is unofficial. It is imperialism that has said that Sandinism is totalitarianism, that Sandinism is Marxism-Leninism, that Sandinism is a Soviet-Cuban advance, that Sandinism is an imposition on the Nicaraguan people. So the United States has done us the favor of saying who we are and has tried to frighten the world with what we are and has not succeeded...."

Around the turn of the century the Socialist International corrected Marx' error through the ideological position of its prime founder, Edward Bernstein, who did an in-depth "revision" of his compatriot's doctrine. This is why it is also called the doctrine of "revisionist socialism" or "evolutionary socialism," or simply "social democracy." The distinction between Marx' "scientific" socialism and Bernstein's "revisionist" socialism became permanent from Bernstein on.

Social Democracy (the ideological foundation of the Socialist International and Fabianism) denies economic determinism and, in opposition to Marx' dialectical, class-based fatalism, raises the banner of "gradual, organic evolution" and rejects the violent class struggle to take power, inasmuch as "it is not true that capitalism is nearing total ruin." On the basis of this statement Social Democracy denies the decadence and final crisis of capitalism, thus rejecting the inevitability of Marxist revolution. "Its path," Bernstein said, "must be evolution."

Now, with President Ortega's request to democratic socialism, Sandinism is admitting and renouncing its error, acknowledging the unpopular heresy that it upheld for 10 years, and, most significantly, tacitly accepting that its defeat at the polls was partly due to the Nicaraguan people's rejection of the ideological posture that has prevailed in Sandinism over the years. According to analysts, this was the main reason for the Sandinists' defeat at the ballot box.

The acceptance of President Ortega and his party in the Socialist International heralds a rift within the FSLN. Bayardo Arce's remarks this weekend, in which he maliciously reversed the language used by President Ortega in his application, are a prelude to the split that Sandinism needs to remain the principal opposition force and to enter modern history.

* Cubans Urged To Stay in Bluefields

90CA0028I Managua LA PRENSA in Spanish 20 Mar 90 p 3

[Text] Although Bluefields was one of the first cities in Nicaragua in which an anti-Sandinist demonstration was staged, with placards calling for the expulsion of the Cubans, the people of Bluefields have definitely changed their minds.

The residents of Bluefields now appreciate the 350 Cubans who arrived in the Atlantic Coast port in a contingent of construction workers to lift the city up from the ravages of Hurricane Juana in October 1988.

Both Sandinists and members of UNO [National Opposition Union] agree that the Cubans ought to stay and continue their mission after the victory of Violeta Chamorro, the president-elect of Nicaragua, "regardless of ideologies."

A report from Agustin de Gracia of the ACAN-EFE agency emphasizes that the Cubans "who sent in the first plane with aid after the tragedy" are the ones who have done the most to help the port, where 6,000 homes, almost all wooden, were destroyed, a million hectares of forest along the Atlantic coast were leveled, and the rivers in the "La Costa" zone were contaminated. The total damage is estimated at at least $800 million.

Ernesto Vallejo, an FSLN [Sandinist National Liberation Front] leader, and Cesar Augusto de la Rocha, the head of UNO in the town, agree that the people want the Cubans to stay.

The 40,000 residents of Bluefields, who are living in poverty, regard the Cuban builders as "brothers or friends," according to De la Rocha.

Rafael Valdes, 61, the head of the "Jose Marti" Contingent, which is in charge of building homes for families, told ACAN-EFE that Fidel Castro's envoys are prepared to keep on working as long as Violeta Chamorro's government guarantees their safety (which they seem

very concerned about) and defrays the extra expenses, in dollars, that the contingent must incur.

The construction project, which was initially estimated at $20 million "but which has already doubled that figure," according to Valdes, stipulates that Cuba will provide all necessary items, except lumber and cement, which are available in Nicaragua.

Although Valdes could not estimate how much Violeta Chamorro's government ought to contribute if the project continues, he said that the 1,000 homes that Cuba is building in Bluefields "are not extra ones for us; we're taking them out of our own needs."

He predicted, therefore, that the decision to continue or not continue their mission would not be political but would instead depend on Cuba's own economic problems, inasmuch as the changes in Eastern Europe have affected Cuba's trade with its main suppliers.

In statements to the news agency that were reported today, Valdes said, however, that "Comrade Fidel (Castro) has said that the projects will continue if Violeta Chamorro's government guarantees the security and the dollar expenses of the project."

* LA PRENSA on FSLN Ideology

90CA0028F Managua LA PRENSA in Spanish 20 Mar 90 p 2

[Text] "I think that the cycle of anti-imperialist revolutions as we conceived of them in the 1950's is over," Mexican-born Sandinist leader Victor Tirado Lopez said in an interview with BARRICADA. "In light of Sandinism's essence, which is its anti-imperialism, the elections of 25 February require us to conduct an in-depth revision or study of the anti-imperialist revolution, not just in Nicaragua but in other countries that have taken this course as well."

Anti-imperialism has been the fundamental premise of the FSLN [Sandinist National Liberation Front] since its founding in 1961. Anti-imperialism has been its banner and its symbol ("A good symbol is the best argument, and its mission is to convince thousands of people," wrote the American philosopher Ralph Waldo Emerson). In this case, however, the anti-imperialist current gradually dried up, eventually becoming in recent months (with the transformations in the socialist world) an obsolete and unconvincing current.

"Back then," Tirado says, "we had help from the socialist camp, especially in the military sphere, though not for a real economic takeoff. There was also great national cohesiveness: young people, workers, peasants. This has eroded over the years."

The FSLN failed to preserve its alliance with the middle class and the small producers; in addition, the political culture and political sectarianism helped to polarize the country, which adversely affected investment, productivity, wages, and a consensus.

"Other options must be sought," Tirado states categorically, accepting the inviability of past Sandinist efforts.

This new language probably has to do with the decision by some members of the party's leadership to join the Socialist International, thus breaking with the initial Marxist-Leninist premises of the Sandinist revolution. All Nicaragua still remembers that only 3 months after the regime was installed in 1979, a Sandinist document circulated in which instructions and guidelines were handed down for implementing Marxism-Leninism in this country as a government plan.

Now, however, 10 years after Somoza Debayle's overthrow, the Sandinists no longer have misgivings about conducting their politics within traditionally capitalist bounds. "I think," Tirado asserts, "that self-determination and sovereignty can be maintained within an electoral democracy, within the framework of the developed capitalist world."

Tirado also explains in this interview that the FSLN will have to transform its organizational approach by democratizing its internal structures "with less of a top-down approach."

It has also apparently come to realize that leadership results not from guerrilla warfare and the class struggle but from progress and peaceful coexistence.

"The people want peace, and we cannot continue relying on war to resolve social contradictions," said Tirado Lopez. This assertion contrasts, however, with the most recent actions of the party, which has gone around distributing weapons, thus challenging peace, democratic structures, and the will of the people as expressed at the recent elections.

* Farm Workers' Unions Prepare To Unite

90CA0028C Managua BARRICADA in Spanish 26 Mar 90 pp 1, 5

[Text] The farm workers affiliated with the Association of Agricultural Workers (ATC) yesterday established five national federations: tobacco, coffee, cotton, livestock, and basic grains. Only the federation of banana unions remains to be set up, which will happen next week.

This means that the current National Commissions by category have become National Federations of the farm workers and will be governed by a Confederation.

Edgardo Garcia, the secretary general of the ATC, highlighted the importance of this new form of organization by stating: "To us this is vital, because it is a political force that is informed about production and the economic plans of the country. Being organized as a federation will enable us to be informed branch by branch and also to take a position on the economic policy of the new government towards a given line of production."

According to its bylaws, the federation's main objectives are to strengthen unity among farm workers and their

unions through superior forms of union organization, to represent them vis-a-vis the employers in collective bargaining, to defend union, political, and socioeconomic rights, and to fight for better living conditions.

During a national assembly at which more than 500 workers celebrated the second anniversary of the ATC's founding, Edgardo Garcia made public some draft resolutions that were passed after the input from rank-and-file leaders was incorporated.

Defending Jobs

Defending the right of men and women to hold jobs and preserving the social benefits that were promised at the signing of the union contract are among the farm workers' main resolutions.

Another major resolution is the defense of wages while preserving jobs. This will be achieved by negotiating wage adjustments based on an enterprise's economic capacity.

To this end the workers will support production plans that at least preserve existing job posts. "In this connection we want growth or any economic adjustment to go in favor of productive jobs," said Garcia.

Another resolution was to defend the People's Property Sector (APP) and to back the patriotic businessmen and the directors of the government sector. Garcia also called on the landless peasant farmers to coordinate their efforts with the workers to prevent their demands from hurting field workers.

He then immediately challenged the private sector to compete with the APP in yield and efficiency, particularly in cotton, coffee, and rice. Nevertheless, he said that the workers would support the stability that has been achieved in those enterprises whose owners have taken patriotic stands by working for production and social benefits for the workers.

"We reject the positions of those politicians who refused to invest and are now seeking to destabilize the state-run enterprises and are thus endangering the jobs that have already been consolidated," the farm workers' highest leader remarked.

Wage Adjustments Proposed

As for wages, the workers came out in favor of a harvest-time adjustment consistent with pay that would defray the cost of a basket of 20 basic items. They also stated that they would continue to defend wages and services for disabled veterans and mothers and relatives of slain combatants.

As for labor laws, the ATC came out in favor of a complete reform of the Labor Code, the core of which must provide for union associations, collective bargaining, and the right to strike and to active takeovers of production. Concerning this latter point Edgardo explained: "Striking is in the constitution, but not the active takeover of production. Therefore, it must begin to be put in legal form."

Demobilization Backed

In defense matters, the workers called on all citizens to back the demobilization and disarming of the counterrevolution and to respect the integrity of the Sandinist People's Army. They also demanded that the Contras release all of the kidnaped persons who are currently in camps in Honduras and the interior of our country.

During the elections the workers of the ATC, which has a membership of 65,000, cast their ballots for the FSLN [Sandinist National Liberation Front]. Garcia indicated that the FSLN was victorious in the election districts with the highest concentration of farm workers.

The National Assembly celebrating the ATC anniversary was chaired by the organization's National Executive Committee, the secretary general of the Union of Nicaraguan Journalists, Lily Soto, the executive presidents of the associations of state-run enterprises, and rank-and-file and regional union leaders.

* FSLN Cautions UNO on Regional Autonomy

90CA0028H Managua BARRICADA in Spanish 31 Mar 90 p 5

[Text] In the northern Atlantic region both Sandinist officials and Indian leaders are wondering anxiously: "What is going to happen with the autonomy project" once the government of the president-elect, Violeta Chamorro, takes office?

The president-elect has not officially addressed this "thorny issue" at any of her press conferences, nor have her best known political advisers. On the transition team's agenda Indian rights obviously take a back seat to other issues, such as the transfer of powers or foreign-aid negotiations.

The so-called political council of UNO [National Opposition Union] has not discussed the future of Indian autonomy either, according to one of its members, because it is absorbed in other matters, such as forming the cabinet and a judicial review of all the last-minute bills that President Ortega has submitted.

Therefore, there is the impression that the new government is being "politically and socially insensitive" towards the Indians along the Atlantic Coast because of its remoteness. Nevertheless, the new government's authorities must not lose sight of the fact that if they abandon or delay the autonomy process, the Atlantic Coast will threaten to explode once again in an ethnic conflict.

It took the Sandinist government more than ó years to realize how complicated it is to run a multiethnic nation and to correct the mistakes it had made. In May 1985, after long years of bloody fighting, representatives of the

FSLN [Sandinist National Liberation Front] and KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples] met in Yulo and for the first time exchanged ideas about peace.

Showing political maturity and an interest in ending the conflict, the Sandinist Front released Miskito prisoners from the Free Zone, abolished the bothersome ID document that was required to travel in the coastal region, and supported the return of the Miskitos to the Coco River. It later began drafting an Autonomy Law with input from all segments of society.

"We're not going to say that the (autonomy) law is perfect, but it's acceptable and fulfills 90 percent of our people's aspirations," Leonel Pantin, a moderate leader of YATAMA [Indian military organization]-UNO, remarked a few days ago. "The Autonomy Law has already been passed, and I think that we have to work to improve it. I wouldn't like the new government to pay no attention to it," he added.

The UNO coalition devoted only a few brief paragraphs to the Atlantic Coast in its campaign platform, and they reflect little desire to push the autonomy process forward. Rather, they give the impression that political-administrative power there will be in the hands not of the Autonomous Regional Council but of a sort of "superintendent" sent by Dona Violeta.

If this happens, the Indian leaders of YATAMA and KISAN threaten to take to the mountains once again and prolong the armed conflict. "If the course of autonomy changes, we will be the first to take up arms," a Miskito chief who commands several indigenous militias asserted.

Therefore, Dona Violeta's new government must respect and make the most of the gains that the Sandinist Front has achieved over the years in autonomy and indigenous rights. This is the only civilized course that the elected authorities can take, because otherwise they will be leaving the option of war open.

The political challenge facing Dona Violeta could turn out to be relatively complex or simple, depending on how she tackles it. If she lends an ear to a racist program for autonomy that benefits only the Miskitos, an ethnic conflict of unpredictable proportions will again break out.

The result will be the same if she plunges the Atlantic Coast into political oblivion and despair, if she is indifferent about meeting its dietary and health-care needs, as if it were "Macondo" or some other country.

There are no gynecologists in Puerto Cabezas right now to treat Indian women, nor are there orthopedists to rehabilitate those disabled by the war or by work accidents. There are no pediatricians, laboratory personnel, or X-ray technicians. So serious is the situation that the leader of YATAMA-UNO, Leonel Pantin, said: "Unless there is an immediate response to the problems, there will be tremendous chaos in April."

The leaders of all churches and religious denominations, alarmed by the potential for hunger and lack of medical care, signed and sent a letter to the Cuban ambassador asking him to send the medical brigade back to Puerto Cabezas. The Cuban authorities contend, however, that there are no guarantees for the safety of their personnel in that zone. This is an issue of bilateral relations and, therefore, ought to be taken up by representatives of Fidel Castro's and Mrs Violeta Chamorro's governments.

It is deplorable, because those who are now suffering because of UNO's indecision are the Miskitos, Sumos, whites, and mestizos who live there.

In the final analysis, the problem of food and medicine could be resolved in the medium term if the government-elect finds a source of funds other than Cuban aid. But what cannot be resolved with just an infusion of funds is the ethnic conflict. The only answer here is to continue the autonomy project.

* Reasons Behind FSLN Downfall Analyzed

90CA0028A Managua LA PRENSA in Spanish 30 Mar 90 p 2

[Text] As of 25 February more than 60,000 members of the Sandinist Front realized that they were not the Vanguard, that they were not the Revolution, as they had thought they were. The landslide vote woke them from their dream world. And they started hysterically screaming ridiculous accusations, such as that the people are traitors or that more than a million voters sold their ballots.

We are not interested in ascertaining when the Front began to lose popularity, which is a fact. Instead, we feel that the reasons for its defeat need to be identified.

We Nicaraguans were living in confused and difficult times (economically, socially, and politically). Regrettably, the Sandinist Front had been misusing the people's property. As late as 27 February, flushed with pride, it was still staging demonstrations, misusing the people's property, suspending economic tasks, wasting fuel and time, and worrying the peaceful, hardworking masses. It had been misusing loans and donations. We learned of some of the loans by accident, thanks to the newspaper of the Nicaraguan people, LA PRENSA. We do not know about the terms, maturity, use, etc of other loans.

The entire "nomenclature" took countless trips around the world over these past 10 years. Daniel's trips are still fresh in our minds, as he went around desperately asking for money, like those distressed alcoholics who shamelessly accost anyone and beg for money for a drink. All of this was a reflection of Nicaragua's trying situation.

We saw the Sandinist Front squander dollars on its campaign. While the sums it spent rose, the foreign debt

expanded, the Sandinist State grew more inefficient and ineffective, and social problems worsened (robbery, prostitution, bribery, blackmail, etc.) The situation was becoming intolerable; poverty was on the rise. At this point we do not know how many unemployed people there are in Nicaragua. And then there are the 50,000 "compacted" workers, a euphemism that the Sandinist Front invented to hide what was actually unemployment too. Holdups by men in uniform in broad daylight were routine; the number of jobless people was growing by the day, and output was at rock bottom.

There are so many criminals that, ironically enough, competition has made crime difficult (we see as many as five thieves on each bus). The number of prostitutes, young girls, almost children, is increasing enormously, and the places where they gather to sell their bodies look like bus stops; there are so many of them that it seems like a minidemonstration. And why shouldn't their numbers be increasing, given the poverty and vagrancy that the lack of jobs, the need to survive, the lack of education, and, in general, the lack of opportunities engender.

The Front was doing nothing to curb inflation. In fact, it concealed the true situation by reporting false figures, leading to improper actions, causing anguish and grief, and even driving people to commit suicide. In a word, it was complete misgovernment, which always brings a slowdown in investment and a spendthrift attitude ("You've got to spend the money today because tomorrow it's worth nothing").

And lies were part of the everyday pitch. In 1982 the government announced cuts in public spending, introduced "compacting," sacked a lot of entry-level workers, began prescribing higher wages for those who were left, and started importing loads of vehicles. There was a new make every year, and their price in dollars kept rising. First it was Nivas, then Ladas, Samaras, Toyota Cressidas, and by now Toyota Troopers, which cost more than $17,000. Do you remember the scene that the Sandinist Front made when Cardinal Obando y Bravo was given a Toyota for his work as a mediator and monitor? They spoke of a "sophisticated and very expensive" vehicle. The Front continued its pinata party, without realizing what it was saying, and kept on "compacting" poor workers. It kept on lying (the famous polls, all of which collapsed embarrassingly on 25 February 1990).

Finally, the FSLN's short-sightedness in not abolishing the Compulsory Military Service is not that important, given that the Contras were already eliminated as one of the people's options for change. The large military machine is a heavy economic burden on the Nicaraguan working people and must be cut back.

The people have sadly seen their revolution destroy itself. How could so much destruction have been wrought in 10 years? Those who are cropping up now as self-styled defenders of the people, those who are screaming hysterically about "defending the revolution" really want to defend their government cars, the wages they earn for not working, the confiscated homes for which they do not pay the government a cent, and their free water, electricity, and telephone service.

We now have hope; together we will all be able to change things. The Front must purge its ranks (although I think that soon the opportunists will run from the losers). The real Sandinists must remain. The few who may have learned from this experience will have to be more forthright and honest with their own members in order to save their party and to help straighten out our revolution, which begins with the National Opposition Union, as all Nicaragua wants.

* 'Imported' Democratic Model Questioned

90CA0028B Managua BARRICADA in Spanish 30 Mar 90 p 3

[Text] "Now that democracy is about to be installed in Nicaragua thanks to the sovereign decision of the Nicaraguan people, the least that we can expect of all the Western democracies is that they will export their systems....To deny ourselves the little bit of aid that we need so badly is to incite social upheavals." (LA PRENSA, 27 March 1990).

Naivete or cynicism? In short, democracy in the abstract has so many sides that it can be stretched in almost any direction. President Arias, the Nobel Prize winner, the self-declared Contra Ronald Reagan, and the dictator Somoza have all used the term on different occasions.

What matters, in any event, are deeds, not words. Political action under a specific political and social system reflects and determines whether that system is democratic or antidemocratic.

Nicaragua's brief but fruitful history over the past 10 years has provided many specific elements on which the nation can base its claim to be a democracy. Naturally, no matter how well-intentioned we Nicaraguans might be, none of these elements is being or could be exported, as the Reagan administration and its local spokesmen, such as LA PRENSA, so often demanded.

If we delve into contemporary history, it is truly difficult, if not impossible, to find an economic structure or a social superstructure that surpasses Nicaragua's model of a mixed economy and political pluralism as a form of democracy.

The U.S. paradigm itself did away with free enterprise and true political choice long ago. The United States can merely point to its transnational corporations and age-old rotation between Democrats and Republicans, just as the Liberals and Conservatives used to alternate here.

And if the social side of this democracy is the issue, the United States does not have much to contribute either. The rights of blacks, who are not free even to move into a white neighborhood, speak for themselves. So do the hundreds of thousands of homeless people who live in cardboard boxes.

As commentator Jackie Mason of THE NEW YORK TIMES remarks (23 March 1990): "There is more freedom of expression in this country than anywhere else in the world. But have you tried to make a living in this country after having expressed an unpopular opinion?"

To give an obvious example to those who have started to express an interest in importing "Western democratic systems," we have close by the Salvadoran, Honduran, Panamanian,and Costa Rican models. Each could indeed contribute some individual feature of the great American model.

El Salvador, for example, could contribute its experienced death squads; Honduras, its role as an aircraft base, which Congress freely decided; Costa Rica, its special system of evicting peasant farmers and "pacifying" banana workers. The truth is that only Panama would contribute nothing new...if we keep alive the long-time "democratic" tradition that the United States inaugurated in Nicaragua with the Somoza dynasty.

All of these are "democratic" systems that indeed do not square with the system that the Revolution built over 10 years. As the editorial in LA PRENSA suggested, each one of them has something of the genuine "Imported from the United States" seal. We can now see why the editors of that paper concluded that "democracy remains to be installed in Nicaragua."

Nonetheless, LA PRENSA's editors are right about something very important in connection with imported models. They have been a constant throughout 167 years of national history, with the honorable exception of the decade that the Sandinist government is bringing to a close.

Only, there is something else wrong with this thesis of imported democracy. Instead of distancing the country from "social upheavals," to import models would inevitably be to import the seed of social instability. The Argentine, Venezuelan, and Brazilian models are just around the corner. In all three cases the IMF prescriptions to straighten out the economy have truly been the catalysts of unprecedented social explosions.

In any event, we would hope that in Mrs Chamorro's government there will be more sensible heads that will turn to our own history in this matter of democracy. Not to "install" democracy, as the LA PRENSA editorial indicates, but rather to intensify the democratic system that for the second time (the first was in 1984) has made possible unqualified respect for the will of the people.

Only a democratic system, like the one that the Sandinist Front is bequeathing to Mrs Chamorro, could have made possible, after 150 years of liberal-conservative oligarchy, the first peaceful transfer of power from Nicaragua's first Constitutional Government to another Constitutional Government.

If the new government is really interested in shoring up democracy in Nicaragua, it will have to demonstrate this with deeds. The experiences of imported democracy in our country have so far left behind the baggage of a dictatorship that held the throne for more than 50 years in a nation subject to the designs of the United States.

It goes without saying that the new government has a responsibility to intensify the only real and acceptable democracy in Nicaragua, the democracy that comes from within, from the will of the people, the democracy that translates into well-being and social progress, without detriment to national sovereignty and the right of self-determination.

In this connection it is only fair to acknowledge that the editorial writers of LA PRENSA have begun to sense something wrong with imported models, because in the end they again mention the dilemma of "How to be friends of the Americans and survive the adventure."

Argentina

President Menem Departs Kenya for Malaysia

PY3105180990 Buenos Aires Domestic Service in Spanish 1600 GMT 31 May 90

[Excerpt] Regarding the president, we can tell you that Carlos Menem departed [from Nairobi, Kenya] at 0500 Argentine time [0800 GMT], and after a stopover in the Seychelle Islands, southeast of India, he will arrive in Kuala Lumpur, Malaysia, at 1800 Argentine time. As we have said, he departed from Nairobi, the capital of Kenya.

Before departing, Menem met at the Government House with Kenyan President Daniel T. arap Moi, with whom he discussed topics pertaining to bilateral relations and to other topics related to the environment and the international situation. [passage omitted]

Federal Pact Signed by Provincial Governors

PY2605031490 Buenos Aires DYN in Spanish 1342 GMT 25 May 90

[Text] Buenos Aires, 25 May (DYN)—The Federal Pact signed yesterday in Lujan, Buenos Aires, by the governors of the 22 Argentine Provinces, ratifies "the full validity of the provincial autonomies within the framework of an effective national unity, guaranteeing the respect for the respective jurisdictions and developing integrated policies in every field that may comprise multijurisdictional interests."

Buenos Aires, Cordoba, Catamarca, Rio Negro, Chubut, and Corrientes Provinces signed the pact with some reservations, while the Federal Capital requested that it be granted legal status allowing direct elections of its authorities. Tierra del Fuego noted that it is a "province" and not national territory as stated in the document.

The text of the pact was disclosed at Government House last night by the governors of Jujuy, Catamarca, Corrientes, and Rio Negro.

The main objectives of the Federal Reaffirmation Accord are to "promote the solution of the federal imbalance affecting the central government's relationship with the provinces;" and to "contribute to the consolidation, strengthening, and improvement of the current institutional system, by seeking to draw up an efficient tool to further democratize power, opening channels for greater participation by the citizenry."

It also seeks to "promote the development of federalism by agreement" through the "interjurisdictional agreements that may establish regions that may contribute to the new territorial equilibrium" and that "may favor the Latin American integration process headed by the nation," among other objectives.

Here are the highlights of the agreements:

I. To ratify the full validity of the provincial autonomies within the framework of an effective national unity, guaranteeing the respect for the respective jurisdictions and developing integrated policies in every field that may comprise multijurisdictional interests.

II. To promote the adoption of the necessary measures for the governors to fully exercise their constitutional duties as natural Federal Government agents to ensure that the nation's Constitution and laws are respected.

III. To carry out actions designed to distribute and decentralize the national administrative functions for the benefit of the principle of equality for all inhabitants of the nation and the effective achievement of common well-being.

IV. To resolutely promote a regionalization process based on the agreement of the interested provinces with federal support or encouragement. Interprovincial relations will be guided toward federalism by agreement, preserving national unity and taking Latin American integration into account.

V. To recognize the right the provinces have to reach international agreements for the purpose of satisfying their local interests, without affecting the constitutional rights the national government has in the foreign policy field.

VI. Agreed policies reached through mechanisms that may guarantee the participation of the provinces and regions in the decionmaking process and the implementation of such decisions will be carried out regarding concurrent powers or powers delegated to the central government.

VII. This point talks about the need to reverse "the accumulation of functions and power" by the central government regarding labor policy, animal health, and in others fields.

VIII. Recognition of the provinces' domain and jurisdiction over the renewable and nonrenewable surface and subsurface natural resources within their territories, encouraging the use and industrialization of such resources in origin and turning the national enterprises that exploit these resources into federative public enterprises in which provinces will be shareholders.

IX. The transference of services from the central government to the provinces will not be compulsory nor unilateral, but rather agreed on and ratified by a law passed by the National Congress.

The remaining points refer to aspects related to culture, education, health and housing policies, as well as to the "reviewing of the economic-financial aspects of the central government's relationship with the provinces, both in the drawing up of a shared tax policy as well as the way certain economic, financial, and customs policies implemented by the national government affect the provinces."

The document also provides for the implementation of the participation of provinces and regions in the leadership of national enterprises, entities, and banks and the transference of sectors of the administration of national enterprises to the region where they carry out most of their activities.

Moreover, protection measures will be implemented for the adequate functioning of the provincial and regional banking sector by amending the law creating the Central Bank and the law on financial enterprises.

The governors' reactions to this pact were positive, with a few exceptions.

Antonio Cafiero [Buenos Aires governor], for example, said that his province "feels affected by the unfairness of some of the articles related to the federal coparticipation since—he said—we have 40 percent of the population, and our share is only 22 percent."

Although Catamarca Governor Ramon Saadi noted that Catamarca "for a long time now has yearned for materialization of the New Federal Pact signed today," he voiced his reservation regarding the natural resources of his province, in particular the mineral resources. He said that what they "hoped was that no royalties would be paid to the provinces and that the resources would not remain in the government's hands."

Cordoba Governor Eduardo Angeloz said that the governors "today reasserted the provinces' need to ratify their federal will," as well as "ratifying the inalienable rights of the provinces that many times were allocated to the central government."

However, when asked how this pact stands with regard to the constitutional amendment, Angeloz said that "it had no connection" since "it is the result of the theories upheld by the various political parties, the demands and requests made by the society."

Reviglio noted that it was a "historic day in which a return to true federalism is taking place", while Nestor Perl, although he is one of the governors who raised some objections to the document, voiced his "agreement" because, in his opinion, the pact will "give the provinces what they have always demanded, and Menem is the first president to make this decision."

Governor Accepts Suspension; Faces Impeachment

PY3105183690 Buenos Aires Domestic Service in Spanish 1600 GMT 31 may 90

[Excerpts] Let us now turn to what has happened in Santa Cruz Province, because there were events this early this morning that the newspapers were not able to publish, because the events occurred very early this morning. Only one newspaper that is published in the capital was able to publish the report.

Santa Cruz Governor Jaime del Val has accepted the decision of the Chamber of Deputies to suspend him for a 30 day period and therefore the government of the province is now in hands of Deputy Governor Jose Ramon Granero. [passage omitted]

Granero is now governing and the political and institutional crisis has been overcome. Governor del Val will now have to face impeachment proceedings, and the rumor indicating that del Val had thought of resigning has now been refuted. [passage omitted]

Brazil's President Collor To Visit 5-6 July

PY3005013490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2222 GMT 28 May 90

[Text] Buenos Aires, 28 May (NA)—It has been officially reported that Brazilian President Fernando Collor de Mello will make an official visit to Argentina on 5 and 6 July 1990 to review the possibility of enhancing the bilateral integration process.

A communique released tonight by the Foreign Ministry states that on 21 July Collor de Mello and President Carlos Menem will meet in the city of Santo Tome, in Corrientes Province, on the Sao Borja (Brazil) border, to call an international bid to build a bridge that will link these towns.

Foreign Minister Francisco Rezek will arrive in the country on 14 June to prepare the visit of the Brazilian chief of state.

For their part, on 25 June Foreign Minister Domingo Cavallo and Defense Minister Humberto Romero will travel to the Brazilian city of Sao Jose dos Campos to watch the inaugural flight of the first CDA-123 airplane prototype jointly built by the two countries.

Former Lt. Col. Rico Involved in Campaign

PY3105221390 Buenos Aires DYN in Spanish 1906 GMT 31 May 90

[Text] La Plata, 31 May (DYN)—The rebel former Lieutenant Colonel Aldo Rico today charged the announced presence of U.S. soldiers in Argentina "as part of an overall project that seeks to curb the role of the Army in the antidrug struggle."

Rico led two thwarted military uprisings against former President Raul Alfonsin's administration. He made this statement today during an intense electoral campaign in Buenos Aires.

Rico also criticized the possibility of granting a new presidential pardon. He said that this decision "will not solve the existing disagreements."

During his political tour Rico met with local businessmen and with "grass-roots' leaders," to whom he said that "the fatherland is being subjected to a depraved cultural, spiritual, and economic vacuum."

He said that this situation results from an "agreement among politicians who seek to be reelected and who are trying to turn the electoral districts into fiefdoms."

Rico has become estranged from Colonel Mohamed Ali Seineldin, retired, because Seineldin's proposal to promote the organization is "poor." Rico has also linked scenes of the film "Dead Poets Society" with his "painted faces" because he considers that this attitude is "like standing up on your desk."

Soviet Mission in Chaco for Economic Promotion

PY3105190290 Buenos Aires TELAM in Spanish 1314 GMT 31 May 90

[Text] Resistencia, 31 May (TELAM)—A Soviet mission headed by Soviet charge d'affaires Anatoliy Timoshenko is visiting Chaco Province. Chaco Bank General Manager Ruben Marcon has said that the visit marks "a first phase which will open prospects for future economic accomplishments by the Chaco economic community."

Timoshenko stressed that the objective of the visit to the province is to "promote our commercial-economic relations and to see how we can help Chaco businessmen." In this regard he recalled that during a meeting in Buenos Aires in March, "the Soviet-Argentine mixed committee considered bilateral cooperation issues."

Concerning possible future projects, the visitor said: "We have good chances for implementing some projects, while others which have already been scheduled depend—among other factors—on financial and technical possibilities."

Oil Field Discovered in Malargue Department

PY3105192790 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1142 GMT 31 May 90

[Summary] Mendoza, 31 May (NA)—Carlos Pierro, the intervenor of the Government Oil Deposits [YPF], has announced that an oil field has been discovered in Malargue Department. The first well is called Loma Alta and it is located some 90 km from the city of Malargue and 400 km from Mendoza. The oil is some 500 to 800 meters below the surface and the well promises good production.

Police Break Up Gang, Seize 60 Kg of Cocaine

PY0106021690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2205 GMT 31 May 90

[Text] Buenos Aires, 31 May (NA)—This afternoon the Federal Police seized 60 kg of carefully packaged cocaine and arrested three drug traffickers who were about the export the drug. The operation was carried out against a house located at the intersection of Coronel Diaz and Del Libertador Avenues, in the Palermo neighborhood of this capital.

The raid followed an operation carried out this morning at the Ezeiza International Airport that resulted in the arrest of a woman. The woman, who had just arrived from Colombia, was a member of the gang that has been broken up. A fifth member of the gang is at large; the police are carrying out an intense operation in the hotels of downtown Buenos Aires to try to find him.

The police, the National Customs Administration, and the Intelligence Department of the Investigations Superintendency have been on the trail of the gang since last week. Judge Jose Lotero is hearing the case.

Brazil

President Collor's Speech to Armed Forces

PY3105170890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 90 p 4

[Text] This is the text of President Fernando Collor's speech at the Armed Forces General Staff yesterday:

"The Brazilian people want changes, deep changes. This is the clear message freely, spontaneously, and sovereignly expressed with their votes at the presidential election. In approving my government program, the majority of Brazilians show that they believe in development with social justice and national reconstruction through democracy. These are goals that all of us present here, servants of the fatherland, should pursue with enthusiasm, stubbornness, and sacrifice. The Brazilian Armed Forces have the basic task of guaranteeing the security and independence of the nation as an instrument of the other constitutional powers, and to participate in the transformation of the country in agreement with society's feelings and interests.

"The national desire for change is in accordance with an era of decisive transformations in the international scene. Rigid blocks are fragmenting. Confrontations are no longer the rule. The challenges of a worldwide economy are intensified in a system in which science and technology are the basic ingredients of progress. The authoritarian regimes are collapsing under the weight of democratic mobilizations. The principles of freedom, peace, and social justice are prominent everywhere as something that cannot be postponed.

"Brazil, in accordance with its peaceful tradition, can contribute to create a more harmonious and just international order. We will not stay at the sidelines of history. We are aware that the authority of nations today is directly linked to the legitimacy of their governments and the well being of their citizens. It is not enough to be strong. It is also necessary to be prosperous, socially just, and technologically advanced and efficient.

"Officers and Armed Forces General Staff Chief, our highest priority is the development of the country, the country's return to the path of growth, and the eradication of misery and social injustices. Our basic goal is to improve the levels of nutrition, education, and comfort

of our people, especially our youth. We have to invest in the men and women who will build the future of our fatherland.

"The Brazilian people want, have the right to a better life and a more harmonious and happy society. This is what the nation wants and what our modern world demands of us.

"The Armed Forces General Staff has a very important role as the organ that directly advises the president and represents the joint military expression of our national prowess. Their role is very important in our efforts to make these goals a reality, and in defining strategies to face the present Brazilian and world realities. The Armed Forces should always be prepared—as they are now—to fulfill this valuable and indispensable mission.

"The budget restrictions, and the material needs we have faced and we will face until the final defeat of the crisis cannot, and I am sure will not, become an obstacle hindering military performance. On the contrary, our patriotic conscience and our trust in the country's future forces us to see the crisis as a challenge for our intelligence, creativity, and willpower.

"The Brazilian military tradition of efficiency, organization, structural strength, and patriotism will be appreciated in the reconstruction of the country. In my capacity as Armed Forces commander in chief I expect to be able to show the same virtues, because that is what the nation expects of us.

"General Jonas, chief of the Armed Forces General Staff; officers of the Brazilian Armed Forces, I am counting on the creative, dedicated, loyal, and disciplined contribution of the General Staff, my General Staff, to face the task we have in front of us in this difficult period of transformation. We need your contribution to fulfill the great task of creating a really new Brazil, the Brazil we all dream of and yearn for. Thank you very much."

National Monetary Council Approves Program

PY3005143490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 May 90

[Report by Sonia Silgueras]

[Excerpts] The National Monetary Council has approved the monetary program for 1990 and the first trimester of 1991.

The government will not allow the money in circulation to increase beyond 10 percent until the end of 1990. This limit seeks to control inflation, which is one of the main government objectives for 1990. Economic growth may only be promoted in a second stage. In practice, restrictions on money circulation mean less money in the market and restricted credit. [passage omitted]

According to Central Bank Chairman Ibrahim Eris, treasury accounts will be balanced at the end of 1990. The government wants to close 1990 without a deficit and it will demand a similar effort from state and municipal governments. [passage omitted]

$2 Billion Grant Sought From IMF Visit

PY2905140890 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 May 90

[Text] An IMF technical mission will arrive in Brazil in June to analyze the results of the economic stabilization plan. In addition to the contacts with the IMF mission, the Brazilian Government will begin making contacts with private creditor banks.

Jorio Dauster, Brazil's official foreign debt negotiator, has said that the IMF should grant Brazil $2 billion under a standby accord.

Dauster added that Brazil now wants a different negotiation scheme, adding that the Brazilian Government wants to reduce the debt.

[Begin Dauster recording, in progress]...now being sought is something much deeper, it is the reduction of the debt and the modification of repayment periods. It is a much more complex negotiation which will take into account the recent experience of countries like Mexico, the Philippines, Costa Rica, and Venezuela in what is known as the Brady Plan. This plan basically considers that debtor countries are not able to repay the debt under its original terms and that, consequently, the debt should be reduced and debtors should implement major internal reforms. Brazil has already begun a deep reform even before talking to its creditors. [end recording]

Dauster added that the government also wants new terms for negotiating with the Paris Club.

Italian, Brazilian TV Stations To Work Jointly

PY2605192290 Rio de Janeiro O GLOBO in Portuguese 25 May 90 p 5

[Text] Brasilia—During an audience at the Planalto Palace yesterday, Italian Radio and Television (RAI) President Enrico Manca informed President Fernando Collor that he is reaching agreements with Brazilian stations to jointly produce programs that will be broadcast by the two countries. According to Manca, Collor supported this initiative and agreed that this type of cooperation expands the cultural and economic relations between Brazil and Italy.

"The president expressed interest. I believe it is important to contract this marriage and use our experiences to coproduce programs," the RAI president said.

Accompanied by Globo Organizations Vice President Roberto Irineu Marinho and by RAI directors, Enrico Manca told President Collor that the agreements with the Brazilian stations will make possible an increased cooperation between Latin America and Europe. In

addition to Rede Globo, Manca will also meet in Brazil with Manchete, Bandeirantes, and TV Educativa representatives.

During their talk, Collor commented on the changes in East Europe, emphasizing that they did not represent a victory for capitalism or for communism, which, he said, was defeated. [as published] The president emphasized the basic role played by television throughout the East European political process, in which it acted both as a witness and as a participant. He cited the case of Romania, where the revolution began at the state-owned television station.

Concerning the World Cup, Enrico Manca guaranteed that RAI is ready for ample coverage.

Alleged Cartel Member Palermo Arrested in Parana

PY2805200090 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 28 May 90

[Text] Federal Police officers have arrested Gerson Palermo in Londrina, northern Parana State. Palermo has been accused of drug trafficking and of being a member of the Medellin Cartel.

Gerson Palermo has previously been sentenced to six years in prison by the Sao Paulo Court on the charge of forming drug rings and trafficking. The police found several boxes containing contraband whiskey in Palermo's home.

* Collor Efforts To Alter Political System Seen

90SM0089A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 May 90 p 9

[Article by Ricardo Amaral]

[Text] After the October elections are over, President Fernando Collor plans to put together the largest party in Congress in order to consolidate his position as the country's most important political leader and project his power beyond the five-year term of office he won on 17 December. Collor's plan is to form this party using deputies and senators elected by the various parties this October, and then to campaign for the parliamentary system of government in the plebiscite that is scheduled, under the new Constitution, for 1993. He is weighing the possibility of resigning from office in 1994, getting himself elected as deputy from either Alagoas or Sao Paulo and then, as prime minister, heading up the first parliamentary cabinet.

"Five years is too short to achieve a grand political design," says a source who enjoys Collor's trust. The president outlined his parliamentarist plan to an exclusive group during the interval between the first and second rounds of the 1989 elections. Once in office, his reticence on the subject increased, but he ordered Minister of Justice Bernardo Cabral to announce that the administration will work for the change in regime in the plebiscite. "No one would announce a plan like that four years in advance," argues Renan Calheiros, the government's leader in the Chamber of Deputies, to justify his silence on the subject.

"The president does not talk about it so as not to jinx the idea," claims the trusted source, correcting Calheiros. Collor has even been trying out a name for the association he plans to create—the Republican Party. Or maybe the National Republican Party, to take advantage of the acronym "PRN" under which he was elected president. He wants to free himself from the current National Reconstruction Party [PRN] because of its provisional nature, as well as from its leaders, who have already played their role in the Collor scheme. The new party was supposed to be launched sometime this year, but it was postponed because of the economic plan and the state elections.

Collor and Calheiros decided that the new party would increase the competition—and the jealousies—among the medium-sized parties that support the government. Their leaders would lose legislators—and power—to a party more closely identified with Planalto Palace than Daniel Tourinho's PRN, thus jeopardizing the agreements in the Congress. More than that,in the race for state governorships, Collor would be tied to his own party and the electoral performance of a single candidate. "The president is not going to risk his prestige in regional contests because he has authority over all Brazilians," spokesman Claudio Humberto explains.

Collor's going to avoid the hustings during the first round, but is already working to bring an influx of new people into the Congress which he estimates would be about 80 percent, a true record indeed. Besides asking the voters not to re-elect those who opposed the economic plan, as he did Thursday in Uberaba (Minas Gerais State), the president is producing a destabilization among current deputies and senators via the comparison effect. Every time Chamber President Paes de Andrade (PMDB-CE) [Brazilian Democratic Movement Party-Ceara State] attempts to justify maintaining in the legislature the symbols of special privilege that the Executive Branch is dismantling, there is a little celebration on the third floor of Planalto Palace.

Congress' abominable image is likely—as the president sees it—to reduce the influence of parties such as the PMDB that threatened his hegemony over the Congress by allying with the PSDB [Brazilian Social Democracy Party] and the parties on the Left to defeat the measure that dealt with the blocking of cruzado accounts, the most important feature of the package. To fill the vacuum left by the PMDB, Collor hopes to elect independent members of the traditional power structure in smaller, regional, parties such as the PRS [expansion unknown] in Minas, or the PST [Social Workers Party] in Sao Paulo. Once in command of the transition to a parliamentary system of government, Collor would be able to neutralize the power of his vice president, Itamar Franco, whom he does not trust enough to be able to resign in the final months of his mandate. Then he would

run for election to Congress in 1994. The Collor style demands that he return to power as a champion vote-getter. He is still wondering which state, Alagoas or Sao Paulo, would be better for confirming the prestige that he needs if he is to set in motion his plan to transform himself from president to prime minister and hold onto the leadership of the government for awhile longer.

Plebiscite Conditions the Plan

Article 2 of the Transitory Constitutional Provisions Act sets 7 September 1993 as the date for a plebiscite to determine the form (republic or constitutional monarchy) and the system (presidential or parliamentary) of government. If the parliamentary system wins, Brazil would once again be governed by a regime that lasted throughout the Second Empire and was in place for a short time during the Republic.

The latest Brazilian parliamentary experience began on 7 September 1961 and lasted only 16 months. Two years earlier, the Congress had defeated an amendment introduced by Deputy Raul Pilla in favor of changing the regime. But the crisis that broke out in 1961 with the refusal of the leadership of the Armed Forces to install Joao Goulart as president—he was vice president under Janio Quadros, who had resigned—opened the way for turning over the government to a cabinet approved by the majority of the Chamber.

The solution was negotiated by Tancredo Neves who, at the time, held no elective office but ended up heading the first parliamentary cabinet. The formula adopted did not require that the members of the government, or even the prime minister, be deputies as is customary in most countries that have adopted that system of government. Neves' cabinet included representatives of the principal political parties of that time—the PSD [Social Democratic Party], the UDN [National Democratic Union] and the PTB [Brazilian Labor Party] and some smaller parties as well.

The cabinet resigned 11 months later because most of its members wanted to run for election in 1962. Joao Goulart named Brochado da Rocha to replace Neves, but the political stability that characterized the initial arrangement was never again achieved. A third cabinet was headed by Hermes Lima. Early in 1963, a plebiscite ordered a return to the presidential system, which served the interests of Goulart and the leading candidates to succeed him, among whom was Juscelino Kubitschek, leader of the PSD.

The presidential system took effect again on 6 January 1963. If the 1993 plebiscite brings back the parliamentary system, Collor will have a chance to control the transition process, provided he has the majority in Congress needed to approve the operating rules for the new regime. The deputies will be at the end of their terms, with elections scheduled for 3 October 1994. The cabinet regime may be postponed until the new Congress takes office or else installed immediately, by a transfer of power from the president of the Republic to the legislators.

* Collor Demilitarization of Government Surveyed

Military Ousted as Decision Makers

90SM0064A Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Apr 90 pp 4, 5

[Article by Luiz Claudio Cunha and William Waack: "President Demilitarizes the Government"]

[Text] President Fernando Collor has removed the military from the principal centers of decision-making in Planalto Palace. In contrast to other basic aspects of his policy of change, Collor chose to conduct his new type of relationship with the military in a cautious manner, virtually in secret.

Collor formally abolished the intelligence community (the "system" in military jargon); drastically reduced the number of military personnel involved in the making of important decisions; redefined the powers of the various jurisdictions involved in strategic planning; and established a clear-cut superior-to-subordinate relationship with his new military ministers in the cabinet, who were chosen from among those general officers who had no involvement with the intelligence community.

Collor also wants to help the military enhance their strictly professional posture. He has promised to respond to requests for funds for new equipment; intervened personally to free budgetary funds frozen at the time of the publication of the Economic Plan; and allowed the administrative reform program to be implemented, in the Armed Forces, with a measure of "appropriate inertia."

One fundamental question remains to be decided with respect to the future role of the Armed Forces: their use, in accordance with Article 142 of the Constitution, in the maintenance of domestic order. The military ministers in the cabinet are merely waiting for the initial period of the administration's term in office to pass, at which time they will press their demand for a ruling on this matter. They do not want a lower-court judge to have the authority to order troops into the street.

"Does this General Look Like a Bad Guy?"

Collor is establishing a new relationship with the military ministers and is removing personnel who were part of the "system."

On Friday afternoon the president of the Chamber of Deputies, Deputy Paes de Andrade, was face to face with someone who in another era any politician could have identified immediately: the minister of the Army, who in this case was General Carlos Tinoco, on a protocolar visit to the Congress. The difference was that as Paes de Andrade got ready to autograph a book for presentation to the visitor, he had to ask the general's name—a sign of

the times in which politicians no longer know the name of the minister of the Army.

Collor, too, did not know Gen. Tinoco at the time he chose the general to be minister of the Army. Out of a list of 14 generals the president chose one of the two names that he knew had no connection with the intelligence community nor with the suppression of guerrilla movements. Collor extracted this information from a 56-page report—prepared at his order by a close friend who has no connection with the Armed Forces—that he carried with him on his trip to the Seychelles Islands shortly after the elections.

"Do you think this general here looks like a bad guy?" the president asked one of his trusted advisers on 30 December, the day Collor chose as minister of the Army the general whose photograph he was holding in his hand and showing to the adviser. "Only the little mustache, which is somewhat old-fashioned," was the reply.

Collor's first meeting with the man with the little mustache took place in Brasilia, in the office of one of the president's friends, the businessman Paulo Octavio Pereira. This incident also demonstrated the effectiveness of the "Collor style" applied to the selection of cabinet ministers. When he entered the building in civilian clothes, Gen. Tinoco was not recognized by any of the reporters who were stationed there. Even Paulo Octavio, who arranged the first meeting between the president and the general, did not know that Tinoco would be the minister until the day the appointment was made official.

The same criterion—no connection with the repression—was also applied to the Navy and the Air Force. It is said that the president posed the question directly to one of the two men who were subsequently appointed to serve in his cabinet. "Did you have any connection with the intelligence community?" he asked. "Only as someone who was under suspicion," answered the man who would later be invited to fill a cabinet post.

Collor's repugnance toward the police role played by members of the Armed Forces in the nation's recent history is rooted in the teenage years of the current president. One of his close friends relates an incident in which Collor, then a secondary-school student, was arrested together with other schoolmates and witnessed a simulated execution by firing squad on the hill outside Brasilia.

"The repugnance Collor felt," this source said, "was so strong that when he became governor of Alagoas he did not want his orderly to wear a uniform when accompanying him."

In choosing his minister of the Army, Collor disregarded hierarchical principles that placed General Gilberto Lima at the top of the list of "Cabinet possibilities." The appointment of this officer had been recommended to Collor by a prominent politician even before the second round of the presidential election, on the pretext that it would "calm the troops." When another adviser alerted Collor to the fact that Gen. Lima was in command of the troops that were involved in the November 1988 incident at Volta Redonda, which resulted in the death of three workers, the general's name was immediately withdrawn from consideration.

The advisers to the president say that a clear signal has been sent to the Armed Forces. This is especially true with respect to the removal of names from consideration that are linked to a "system" which—in Collor's opinion—is also guilty of covering up cases of corruption in the Armed Forces. This signal was apparently welcomed by the military.

"Our relations with the president are excellent," one of the military ministers said, on condition that his name not be revealed. "We do not talk about politics or economics. He is quite attentive to the specific problems of the Armed Forces and is restoring principles of authority in Brazil."

Several days ago one of Collor's military ministers complained to him that money destined to fund items provided for in the budget had been frozen following publication of the economic plan. In two subsequent meetings he received the same information from the minister, namely, that the funds were still frozen. "I am going to take care of this personally," the president said. Even when he heard, 24 hours later, that the funds had been unfrozen, the minister decided to find out for himself "if we were living in a period of a strong, authoritative government" and ordered an adviser to make a large withdrawal from the bank. Upon receiving the draft, he redeposited the funds.

Collor caused some discontent among his military ministers when he insisted that they not live in mansions to which they were entitled on the "Peninsula of the Ministers," which had been transformed into a kind of national symbol of "majordomism." It is not customary for the supreme commander of a branch of the armed forces to live in a building next to his subordinates, but the ministers heeded the admonition good-humoredly ("he made it in a graceful and cordial manner, saying that there was no hurry," one of them said).

By way of compensation, not only Collor but Marcos Coimbra, secretary general to the Presidency, and Joao Santana, administrative secretary, have been less "brutal" vis-a-vis the military with respect to administrative reform. After a series of meetings Santana permitted the transfer of vehicles—and the cuts in the administrative structure—to be made by the Armed Forces at their own pace and in accordance with their own requirements. The Navy, for example, wants to use the proceeds from the sale of automobiles to acquire buses for naval bases.

Troops in the Street

Advisers of President Collor at Planalto insist that he wants to spend money on re-equipping the Armed Forces

and improving their pay scale. He therefore believes he is providing the military with precepts such as leadership, authority, and command. "A soldier loves to obey orders," is the comment of one of the president's close advisers—a civilian, naturally.

It would be unrealistic, however, to believe that the military ministers would be satisfied merely with better pay and provision of their armament. They are waiting for the "dust from the Collor earthquake" to settle (to quote one of them) before approaching Collor and Minister of Justice Bernardo Cabral on a matter they consider to be essential: a ruling to govern the use of personnel of the Army, Navy, and Air Force in the maintenance of domestic order.

"This is also about the conceptual role of the Armed Forces. The president—who has a lot of political savvy—must have his own ideas on the subject, but I am not fully aware of them. He and I intend to define what these Armed Forces will be in a world in which the traditional concepts of defense and security are becoming rapidly outmoded," one of the military ministers commented.

The military are concerned over the lack of a ruling on Article 142 of the Constitution. This article authorizes their use in maintaining domestic order, but they do not believe it appropriate for any court to have the power to send troops into the streets. The example of Volta Redonda is fresh in the minds of the military, and when a firm recently requested that marines be used to break a blockade by stevedores (in violation of a court order) at the port of Rio de Janeiro, the Navy decided to wait for the president or his minister of justice to take a position. "We must resolve this immediately," one of the military ministers commented.

As for external threats, the military anticipate only "abnormal situations" such as the economic and social disintegration of Peru, which is rocked by guerrilla warfare, or instability in Suriname. They want to redefine their jurisdictions also in terms of decisions that must soon be taken and that mainly affect high-technology projects developed by each of the three branches of the Armed Forces in fields such as the enrichment of uranium by laser beams (Air Force) and the construction of a gas reactor (Army).

Some of these priorities will probably be reviewed in the light of the lack of funds, and the only beneficiary may be the Navy, which has already spent $300 million on its parallel nuclear program, and with enormous success: within five to eight years Brazil will be able to enrich uranium by ultracentrifugation and operate a power reactor (for naval propulsion) using processes and equipment that are totally Brazilian.

The military would then accept profound changes even in areas of foreign policy, where they have maintained a traditional influence during the past two decades. One of Collor's military ministers acknowledged that the refusal to sign the Nuclear Arms Nonproliferation Treaty was never caused by reservations of a military nature. "When we have our own technology," one of them said, "why not make this political gesture?"

De-emphasis of Intelligence Sector

90SM0064B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Apr 90 pp 4, 5

[Article by Raymundo Costa: "Intelligence Sector Has Less Influence"

[Text] A surprising change at the top level—carried out immediately following the March promotions—has intrigued observers of the military scene. Without any apparent reason, Minister Carlos Tinoco transferred General Iris Lustosa de Oliveira from the influential General Department of Personnel to the command of the General Department of Services, a less prestigious post.

What was taking place was one more move to weaken a powerful sector which by the time of the administration of President Joao Figueiredo had even reached the point of being regarded as a kind of informal "fifth branch" of the Army—the so-called "intelligence community" (officially, the four branches of the Army are the Infantry, Cavalry, Artillery, and Engineers). In the first days of the Fernando Collor administration one of Gen. Lustosa de Oliveira's functions was to distribute, among the various quarters, former comrades who were returning to the ranks from entities that had been abolished such as the National Service for Intelligence (SNI) and the National Intelligence School (ESNI).

This is not the only piece of evidence demonstrating the loss of prestige by the "community" that consisted of the SNI; of the Security and Intelligence Divisions (DSI) grafted onto each ministry (and also deactivated by Collor); and of the intelligence services of the Army, Navy, and Air Force. Until five years ago it was possible to find more than 60 percent of the Army High Command consisting of officers who came from the intelligence sector. A tour of duty in the "community" was at that time a sure passport to the highest positions in the hierarchy. Today, of the 14 Army generals who comprise the current High Command—including Minister of the Army Tinoco—only five came up through intelligence organizations and of these, three were from the apex of the system: the SNI.

Even so, the three "graduates" of the SNI performed bureaucratic functions there: General Enio Martins Senna, who currently heads the Department of Teaching and Research and will remain in the Army until March 1991, commanded the administrative division of the SNI and worked in its Sao Paulo office; General Luiz Pires Ururahy Netto, military chief of the Northeast, was deputy chief of the Central Agency of the SNI when it was headed by General Newton Cruz; and General Antonio Joaquim Moreira served on missions abroad.

Moreira is the officer with a "community" background who occupies the highest post in the present table of

organization of the High Command: he is chief of the Army General Staff and was appointed by Tinoco. The other two generals who were trained in the Intelligence Sector made their careers in the Army Intelligence Center: Iris Lustosa and Pedro Luis de Araujo Braga, who currently serves as military commander of the Southeast.

Braga, incidentally, is the only one of the 14 generals of the High Command to have taken a course in intelligence at the ESNI. Of the 135 [as published] generals on active duty in the Army (15 generals of the army, 35 major generals, and 84 brigadier generals), only three passed through the classrooms of the National Information School, and all three confined themselves to the course in "intelligence specialization" out of an array which at that time offered a choice of degrees in "verbal portraits," "counterespionage," "photo interpretation," and a curious "defense against infiltration."

Collor Decrees End of the 'System'

A bureaucratic death has been administered to the monster that lived for two decades. All it took was a signature on a temporary measure on 15 March to cause the visible disappearance of the intelligence community, that nucleus of military personnel enmeshed in their principal task of snooping and carrying out surveillance of persons, issues, and institutions throughout the nation.

Approximately 1,100 military on active duty or in the reserves—the official figures are not revealed—lost their posts at the center of executive power when the SNI was abolished and were transferred to the personnel bureaus of the three branches, which gave them new duties in a matter of days. By comparison with East Germany, where three commissions made up of representatives of the government and of the public are working to liquidate the gigantic apparatus of the former intelligence community—the STASI—transformation of the SNI into an intelligence department oriented toward "foreign threats" was a routine action devoid of drama.

This is due in part to the fact that when the team of presidential advisers charged with abolishing the SNI came to Planalto it did not find a single LDB (the famous "Lists of Biographical Data," i.e., personal files). "This, I acknowledge, was none of our doing," one of the men closest to the president commented, with heavy sarcasm. "By the time they were done, the former personnel of the SNI had made everything disappear." In Berlin, by comparison, the three commissions that are burying the STASI are busy with more than eight million files.

With the advent of the new Intelligence Department—or "first department," in the internal jargon of the Secretariat of Strategic Affairs (SAE)—the only possibility remaining for the discovery of intelligence concerning isolated individuals is whatever is preserved in the material collected concerning institutions. "There are no longer any files, or computer entries, under the names of individuals," the same source insists. This department—a kind of "Brazilian CIA"—forms together with the SAE the "lozenge," by analogy with the Pentagon in Washington.

Although it had at least 200 officers on active duty in Brasilia and did in fact integrate and coordinate the three military secret services (in addition to maintaining surveillance of matters such as smuggling, the narcotics traffic, corruption, performance in the state enterprises, and supply and performance in the executive branch), the SNI was not the principal nucleus through which the military wielded significant influence in decisions taken by the government. This had been the role of the former National Security Council, which former president Jose Sarney transformed into the Advisory Secretariat for National Defense Matters (SADEN) just days before promulgation of the Constitution, which abolished the National Security Council.

"In the history of our republic, the minister of the army has always played an extremely prominent role," commented one of Collor's current military ministers. "I doubt, however, that he will exercise as much authority over the colonels and lieutenant colonels employed over there in SADEN," the minister added.

It was in SADEN that President Collor dealt the main blow against the intelligence community. The 350 persons employed there were reduced to 51, and it was moreover incorporated as the "third department" in the table of organization of the Secretariat for Strategic Affairs, where as the bureau that had coordinated the action of cabinet ministries and intervened even in a truck drivers' strike in Chapeco, SC (Santa Catarina) on grounds that the drivers were endangering the marketing of the soybean crop, a national security matter, SADEN has shared its powers with the "second department," the Department of Macrostrategic Planning.

This does not mean, however, that the military are not being employed. The participation of the military continues to be regarded as indispensable, particularly on "special projects" (one of the jurisdictions of this "third department") such as those relating to the Calha Norte project, in the extreme northern part of the Amazon Region, or to the export of weapons.

The emphasis has changed, however. At the meeting held three days before President Collor went to Roraima to visit several segments of the aforementioned project, a colonel's presentation was cut short so that Secretary of the Environment Jose Lutzenberger and Secretary for Science and Technology Jose Goldemberg might speak. The two men had three times as much time as that allotted to the military and presented points of view that were considerably at variance with those of the Armed Forces. Collor thereupon decided that Calha Norte is primarily an "ecological project" (moreover, ever since the Sarney administration the environment has been increasingly treated as a natonal security matter).

Those among the president's men who are engaged in dismantling the intelligence community are strongly

emphasizing that it is not their intention to offend the Armed Forces. "I am not here with a machine gun pursuing these people," one of them said, "nor did I come here with the intention of controlling the past, but rather to develop strategies for the future."

There have been no reports so far of any resistance to the changes that have explicitly eradicated from the center of governmental power the decisive intervention exercised by the military. "When I was appointed, these people in the intelligence community said that I was only a youngster," the secretary of strategic affairs remarked recently to a friend. "Later, they said that I was under control, because I did not understand their operations. When we abolished the SNI, they said I was crazy."

*** Need To Assign Military Roles, Funds Affirmed**

*** 'Demilitarization' Analyzed**

90SM0088 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 May 90 p 3

[Editorial: "Demilitarizing the State"]

[Text] The concern evinced by a military minister over the definition of the Armed Forces' mission and operational limits in the domestic area (Article 142 of the Constitution) attests to the dimensions of the problem facing the president of the republic insofar as defense and security are concerned. The extensive reportage that we published in our edition last Sunday demonstrates President Collor de Mello's apparently successful efforts to demilitarize the state and keep the military out of politics. What has been done is good, but insufficient. As soon as possible, the Armed Forces need to be assigned precise roles, and to be provided with the human and material resources necessary for the discharge of their mission. Otherwise, time will see it that they are prompted to lapse into improper political intervention again.

Brazil suffers from the lack of a defense policy in keeping with its foreign policy that will guarantee legitimately and concretely defined national interests, and not those vague, general, permanent national objectives that are part of the guiding dogma. For lack of a defense policy, we have for a long time had sectorial policies for the three branches of the Armed Forces; in isolation, each looking after its own corporate interests, and for that very reason, often in conflict. In short, the superimposition of the military plans made by the Army, Navy, and Air Force has not resulted in a sufficient degree of defense for the nation. And this is due, basically, to a lack of coordination rather than of resources.

Strictly speaking, this is a state of insecurity that must be corrected. Because we live on a relatively peaceful continent, because we have our borders consolidated, and because we have a foreign policy that avoids confrontational solutions, it has been possible for this situation to go unnoticed by the public, although it is evoking growing concern in specialized circles. Moreover, the situation was also masked for over two decades by the interference of military sectors in internal affairs. With the return to democratic normality, the time has also come for us to attain minimal efficient levels of defense, compatible with Brazil's position in the world and with our status as a regional power.

To design and implement a defense policy would not necessarily mean increasing military spending. Although the country devotes less than one percent of its GDP to the defense budget (one of the lowest percentages in the world), the major problem of the Brazilian Armed Forces is not related to spending, but rather to how the spending is done. We might take the example of the national materiel industry, which has come to rank sixth in the world. Today, some of the leading enterprises in the sector are bankrupt, despite the fact that the government had pumped several tens of millions of dollars of lost capital into them in the past. Unlike the other countries that have also opted to nationalize materiel production, the government, for lack of overall policies, did not acquire "predetermined competitive status" for products, thereby allowing the industries to become financially sound to seek clients abroad. The result of this absence of policy is that the state has wasted money, the Armed Forces lack suitable volumes of national equipment, and the enterprises in the sector anticipate disaster.

Obviously, President Collor de Mello still has much more to do in this critical sector. His effort to demilitarize the state is notable; however, there is one exception to be made. The notorious "intelligence community" has not been dismantled by the formal abolishment of SNI [National Intelligence Service], nor by the return of the officers who were serving there to their original forces. The "community" does not depend on physical premises to meet, nor on a trade name to exist. It consists of individuals with misguided idealism, and a great capacity for penetrating decision-making circles. For some time, we shall suffer the residual harmful effects of the "community," and all the more so when millions of files have disappeared!

Similarly, it is impossible to attempt to devise the defense policy only inside the Secretariat of Strategic Affairs [SAE] which, for better or worse, is the successor of the National Security Council. It will not suffice to replace the "colonels from the council" with "civilians from SAE." The internal logic of the military institution will probably reject impositions originating in the intermediate chain of command, even if they are approved by the commander in chief. Without the actual involvement of the chiefs of the three branches, that is, of the Armed Forces High Command, there will be no suitable policy that would be legitimized by submission to the national organs of sovereignty.

* Project Funding Guaranteed

90SM0088 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 May 90 p 4

[Text] Brasilia—The military ministers have received President Fernando Collor's guarantee that no Armed Forces project will undergo budget cuts. The report was made public yesterday by the aeronautics minister, Brig. Gen. Socrates da Costa Monteiro, after the first official meeting with the Army minister, Gen. Carlos Tinoco Ribeiro, and the Navy minister, Adm. Mario Cesar Flores.

Minister Socrates Monteiro commented that, in addition to keeping the military programs intact, the president decided that the Aeronautics Ministry will move ahead to this year the establishment of the Combined Air Safety and Air Traffic Control Center (CINDACTA) in the Amazon region. The project was not scheduled to be implemented until the year 2000, and has an estimated budget of $1 billion.

The government will begin releasing funds for the project during the second half of the year. The order from President Fernando Collor is to spend the least possible length of time executing CINDACTA, which will serve to reinforce the investigation of the drug traffic, and to protect border areas and the environment in the Amazon region. The center will intensify control over forest burning and devastation.

* Politics in Nominations Paralyzes Government

90SM0089B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 May 90 p 4

[Text] Brasilia—The new government has not yet filled most of the positions from the second echelon of the public administration on downward, mainly because of political considerations. Advisers say there are some 20,000 unoccupied posts, which has led to virtual paralysis of the bureaucratic machine and problems in managing the economic plan. But President Fernando Collor is in no hurry at all to fill those vacancies. Before picking up his pen, he wants to check the results of the voting on his vetoes of the amendments introduced into the plan by Congress, and carefully study the nominations submitted by the politicians who support him. Until then, there is a shortage of bureaucrats to rubber stamp even simple import licenses, and no inspectors to take care of the 6.7 million bags of coffee that are rotting in the warehouses of the now-extinct Brazilian Coffee Institute (IBC) in Maringa, Parana State.

So far, only three of the 12 ministries remaining after the administrative reform of 16 March have succeeded in completing their leadership and coordination staffs, secretary of administration Joao Santana admits. For example, there is the dramatic case of 20 subsidiaries and 29 mining companies that are part of the Rio Doce Valley Company—none of them have directors. That does not seem to bother Minister of the Infrastructure Ozires Silva very much. He has orders from the president to make the choices calmly, and especially to recruit only professionals with solid commitments to the concept of private enterprise, as is the case with Collor himself. The president, advisers say, did things the same way as governor of Alagoas.

Such caution in proceeding also applies to the nerve center of power. Of the 1,641 new jobs created by the administrative reform in Planalto Palace and the ministries of the economy and infrastructure, only 229 (14 percent) had been filled within a month of Collor's inauguration. Most of these were in Planalto Palace itself, which has now filled 147 (36.4 percent) of its 399 leadership spots. In contrast, in 30 days the Ministry of the Economy has hired only 44 (6.1 percent) of the 716 employees needed to handle the daily work load, and the Ministry of the Infrastructure has filled only 38 (8.9 percent) of its 426 openings.

In addition to political problems, there are problems in compensating the new personnel. The Collor Plan put an end to bonuses and fringe benefits such as cars and apartments, and this has made it hard to attract people to work in Brasilia, admittedly one of the most expensive places in Brazil to live. Officially, the highest salary in the administration is paid today for what is called, in the city's bureaucratic terminology, the DAS-6, that is, the High Directorate and Advisory Group. The pay is 86,356.60 cruzeiros a month, the rate for a ministry secretary. But the bureaucracy has a life of its own and has already resurrected an old trick: To get around the low salaries, the Ministry of the Economy is doing its hiring through the Data Processing Service (Serpro), where the paycheck at month's end can total more than 200,000 cruzeiros.

But it's dictates of a political nature that are the real causes behind the gradual filling of jobs. There is a rationale behind Collor's concern with the voting on the vetoes in Congress: A simple appointment now to a job on the fourth or fifth echelon could displease local political interests and destabilize the majority in Congress which the administration had to fight hard to put together. Political allies such as Luis Eduardo Magalhaes (PFL-BA) [Liberal Front Party-Bahia State] do not, however, believe that the president will be surprised by those votes or even that they will take place soon. The task at hand is to respond to the suggestions made by the legislators from the PFL, PTB [Brazilian Labor Party] and PDC [Christian Democratic Party] and other minor parties that make up the government's majority. All those nominations are now in the hands of Minister of Justice Bernardo Cabral, who has been told by Collor to evaluate them according to two criteria: the capability and integrity of the nominee.

Collor really has introduced a new style to be followed on nominations submitted by politicians. Against the rule "give and you shall receive" that became institutionalized under the administration of his predecessor Jose Sarney, Collor has developed the "nomination with

responsibility." In other words, a politician who nominates someone bears full responsibility for the actions of the appointee. If the officeholder is subsequently caught in some act of "administrative dishonesty," the politician forfeits the right to make additional nominations—forever. But there is a third ingredient in the makeup of that profile: loyalty. At a dinner with the PTB congressional delegation held a few days prior to his inauguration, Collor spoke directly about what he thinks of political relationships: "For me, there is no middle ground. Someone is either with the government or with the opposition."

Collor's next move in terms of government personnel is a daring one: he plans to undermine the corporativism that characterizes the major public corporations. Initially he is thinking of putting an end to the practice followed in some of them of naming only their own career employees to management positions. The president, an advisor reveals, wants to see some outsiders on the boards of the Federal Savings Bank (CEF), despite incidents such as occurred with personnel of the Central Bank's Selic-Cetip department, which has custody over securities and oversees their sale. Early in the administration, that unit was involved in an administrative confusion that stalled the financial markets for both public and private securities for more than a week—all because of problems in relations with the new bank leadership.

Outsiders are also the means by which the president intends to resolve impasses in the partisan political nominations. That might happen with three nominations submitted to Minister Cabral for the head of the Rio de Janeiro regional office of the Ministry of Education: One name was suggested by the regional office of the PRN [National Reconstruction Party] and the other two by Deputies Rubem Medina and Flavio Palmier da Veiga, both of whom are from the party that elected Collor.

Low Salaries Dissuade Technicians

The austerity policy instituted by President Fernando Collor has created an unprecedented problem for the federal administration: It has become hard to find qualified technical personnel willing to trade well-paid jobs in private enterprise for government jobs offering salaries whose generosity was reduced by spending constraints and that no longer carry with them the coveted special privileges of the past. Of the 12 ministries, only three—Economy, Infrastructure, and Agriculture—have been able to fill all their second-echelon positions.

Faced with the hard realities of federal employment in these days of the New Brazil, Minister of the Infrastructure Ozires Silva has found that he has to speak frankly, and not very encouragingly, whenever he invites someone to work as his direct advisor.

"You are going to have a lot of work. You will start working early and will not be able to leave at a regular time. You will face countless annoyances. If you do well, you will not get any praise. If you make a mistake, you will be criticized unmercifully. And the salary is about this size," said Ozires, bringing his forefinger close to his thumb.

The tactic employed by the Ministry of the Economy to get around the obstacle posed by the low salary levels is different than the one used by Silva. Many technicians in the ministry captained by Zelia Cardoso de Mello were actually hired by the Data Processing Services (Serpro) which gave them the chance to be placed in jobs classified as High Directorate and Advisory Group (DAS), where salaries can amount to 200,000 cruzeiros. DAS positions also entitle their incumbents to free air travel and accommodations at the Eron, a four-star hostelry in Brasilia.

With no opportunity to do his hiring through Serpro, Minister of Agriculture Antonio Cabrera, according to advisers, has decided to pay the 53,000 cruzeiro salary of his secretary Mauricio Dutra out of his own pocket. In moving to Brasilia, Cabrera had already used his own cruzeiros to defray the cost of spending two weeks in the Nahoun Plaza, the capital's newest five-star hotel. Like all his colleagues in the cabinet, the agriculture minister gets 229,000 cruzeiros a month.

One of those who feels most hampered by the inability to pay higher salaries is Minister of Health Alceni Guerra who, when he took office, fired the directors of all the federal hospitals. Now he is having trouble hiring replacements and complains that Inamps [National Institute for Social Security Medical Assistance] pays its physicians salaries that are 70 percent below those in the public health system.

Secretary of Administration Joao Santana has a harsh message for public servants who complain about the figures that appear on their paychecks at the end of the month: "It would not do for the government to raise salaries when the entire country is making sacrifices to get out of the crisis."

Opting for frankness seems to have been the right approach and the minister insists that he has found people able to take money out of their own pockets in order to go to work for the government. Marcelo Ribeiro, national transport secretary, for example, says he is forced to supplement his 86,000 cruzeiro salary with income from a ranch in Minas Gerais where he raises cattle and purebred Campolina horses. "I accepted the job because of the challenge," he says.

National Energy Secretary Rubens Vaz da Costa, whose position is also subordinate to the minister of infrastructure, says he lives on money that he took out of financial investments, real estate properties in Sao Paulo, and rural properties in Pernambuco. He has the advantage, however, of being able to live in the apartment that comes with his job. "Anyone who accepts the salary offered by the federal administration usually is already pretty well established in life," says an adviser close to Ozires Silva.

Chile

PRC's Yang Departs After 'Unforgettable' Visit

PY3105132290 Santiago Domestic Service in Spanish 1100 GMT 31 May 90

[Text] PRC President Yang Shangkun returned to his country via Easter Island, a route which the Chinese intend to start using to Latin America.

Before leaving, Yang held a private meeting with representatives of the Chinese community in Santiago and another meeting with Chilean businessmen at the SOFOFA [Industrial Development Association] headquarters during which trade between the two countries was discussed.

Yang was seen off at the Santiago International Airport by President Patricio Aylwin and other high ranking Chilean authorities. As he was leaving Chilean territory, Yang delivered a message to President Aylwin. The text of the message was disclosed by protocol.

The message states that his visit, although brief, will be unforgettable and that he is sure that the ties of friendship and cooperation between the PRC and Chile and the friendship of their people will become stronger.

Break Denied in Administration-Army Relations

PY3105143890 Santiago Domestic Service in Spanish 1100 GMT 31 May 90

[Report from Punta Arenas by Graciela Contreras]

[Excerpt] President Patricio Aylwin has denied a rupture in the administration-Army relationship, although he noted the efforts being made to reach a better understanding among the two parties.

President Aylwin, who made this statement on board a FACh [Chilean Air Force] plane on his way to Punta Arenas where he will stay until tomorrow, wants to personally see the damages caused by the storms that hit this part of the country a fortnight ago.

Shortly before landing, and after greeting the remaining passengers, President Aylwin was approached by journalists who asked him whether he believed that the administration-Army relationship was broken.

[Begin Aylwin recording] I do not believe there are any grounds for such a statement. We are obviously making a great effort to understand and become acquainted with one another. In my 21 May speech I listed the criteria that inspire me and noted that historically in Chile there has always been a certain distance that should be overcome. I, at least, am willing to make every effort possible to overcome this distance and am certain that the Armed Forces have the same desire. [end recording]

On board the FACh Boeing 707, Aylwin admitted that the meeting with General Augusto Pinochet had cleared the path for a better relationship.

Shortly after arriving in Punta Arenas, Aylwin started his activities by presiding over a meeting with national, regional, provincial, and district authorities. During the meeting he was briefed on the damages in the storm-afflicted areas which he will visit today. [passage omitted]

Interview With Defense Minister Patricio Rojas

PY3105190890 Santiago LA TERCERA DE LA HORA in Spanish 20 May 90 p 3,4

[Interview with Defense Minister Patricio Rojas by Maria Eugenia Oyarzun on 14 May—place not given]

[Excerpts] [passage omitted] [Oyarzun] You have talked about problems within the Armed Forces. Could you define those problems?

[Rojas] Basically they are all contemplated in legislation that the government has sent to Congress to modify the antiterrorist, state internal security, and arms control laws, among others. One of the most important bills is the one modifying the military justice code. This bill attempts to modify the jurisdiction for crimes committed by civilians, and for military crimes committed by military men. We have received many opinions on the subject. The Armed Forces have shown concern, for instance, over proposed changes in the composition of the military courts, the elimination of the Military Prosecutors Office, and other dispositions.

We met with the War Auditing Committee to hear their proposals and introduced various modifications to the bills: Military courts will maintain a composition similar to that which they had before 1973 and the Military Prosecutors Office will be maintained. We also introduced some legal dispositions that seek to protect military men from offenses, insults, or acts against them.

The other problem concerned the Army. General Pinochet informed President Aylwin about the problems that may arise following the investigations by the Truth and Reconciliation Commission. None of the Armed Forces branches question the presidential power, the constitutionality, or the legality of the establishment of this commission. Their concern is of a different nature. They are concerned over the way this commission will work, over the way in which the media will cover and promote unrest in the country over the charges that will be raised, based on the findings of the commission.

[Oyarzun] Has the Army alleged that the powers bestowed on this commission are unconstitutional?

[Rojas] No, never. At no time has General Pinochet proposed such a thing. He accepts the legality and constitutionality of this commission. I can say this because I have talked with him. He is concerned over the issues I have already mentioned.

[Oyarzun] Are these the only difficulties with the Armed Forces?

[Rojas] Yes. But just as I acknowledge the presence of difficulties, as the defense minister I must also acknowledge the efforts made by all of us to overcome these difficulties. A difference of opinion in the national defense sector is not tantamount to a conflict with the Armed Forces. This must be clearly understood. [passage omitted]

[Oyarzun] Is there a working dialogue between the defense minister and the defense institutions?

[Rojas] Of course. The daily activities of the defense minister and the undersecretaries is to work closely with the Armed Forces and the security branches. These branches (the Carabineros and the Investigative Police) are now operationally more directly linked to the Interior Ministry because of the ministry's responsibility for public order and internal security. Here the permanent contact is with the commanders, the National Defense staff, and with the chiefs of the various military institutions.

[Oyarzun] It is said that the defense institutions are currently "not being consulted" and they are reportedly being "replaced by a group of civilian experts on defense matters." Is that true?

[Rojas] That is not true and should be denied. It is strange that the people who are saying this have not even bothered to ask officials what kind of relationship we have. I hold very frequent dialogue with the three commanders. In the case of the Army, if Pinochet is not in the office or is out on a trip, my contact is General Lucar who is the Army deputy commander. My contact with the other two commanders and their staff is also frequent. The problem is that this ministry is not as well known as the others.

I would like to make clear that we discuss all kinds of issues. The bills being debated in Congress have been discussed several times. We have created committees for this purpose, and we keep in direct contact with the institutions, not at the middle level.

Regarding the creation of the Truth and Reconciliation Committee, I had personal contact with the commanders of the three branches of the Armed Forces. I told them of the content of the decree as soon as I received it so that they would know about it before President Aylwin talked about it. I also gave them the list of people who made up the committee. In addition to the meetings about this committee, which has caused so much concern, we keep in touch on many institutional issues on a daily basis.

[Oyarzun] Do you use the General Staff as an advisory organization?

[Rojas] The General Staff is a permanent advisory organization of the ministry which carries out all the strategic planning and maintains current all military documents at that level.

[Oyarzun] It has been said that if the defense institutions are consulted about issues related to the Armed Forces and the Police, matters which should be decided by the executive and legislative branches, it would mean the existence of "a co-government." Do you agree with that statement?

[Rojas] There is no co-government with the Armed Forces. The Defense Ministry does not need to consult military institutions on bills which the government is going to submit to Congress as part of its government program. However, there is a need to gather the reactions, the opinions, or the impressions of the Armed Forces on some general measures of the government. We have clearly said that the Armed Forces cannot have the role of co-legislator. That concept is outside any possibility in a democratic government and the current institutions. It is another matter to listen and to gather opinions.

[Oyarzun] What position do you think that the Defense Ministry should adopt toward the Armed Forces? Should the Ministry merely implement the government defense policy or should it also convey to the executive branch the problems and concerns of the Armed Forces, operating as a spokesman for the Armed Forces before the government?

[Rojas] This ministry, like all the other ministries, maintains a balanced position. The work by the ministry necessarily involves a combination of the role of Armed Forces representative before the government and the role of government representative before the Armed Forces. None of these roles prevail. I would say, however, that the Constitution clearly sets forth that there is a relationship of dependence between the Armed Forces and the minister, who is the direct representative of the president. In any event, the constitutional principle should be observed. Yet in practice there must undoubtedly be a balanced position. [passage omitted]

[Oyarzun] The 1980 Constitution assigns a new mission to the Armed Forces, that of being responsible "for safeguarding institutional order." Do you agree with this mission? If that is the case, how should this mission be accomplished?

[Rojas] Yes, this is the role that the 1980 Constitution assigns to the Armed Forces. But the correct interpretation of this regulation also specifies that the Constitution establishes when and how the Armed Forces will exercise this role. I believe the Constitution clearly defines the Armed Forces role in three specific areas: 1) during exceptional situations, such as a state of siege or state of emergency, etc.; 2) in elections, the Armed Forces must guarantee the cleanliness and openness of elections in Chile; 3) the Armed Forces commanders are members of the National Security Council. The 1989 constitutional amendment modified the regulations of the National Security Council which established a kind of military tutelage over the other democratic institutions. Instead of having the capacity to handle any situation dealing with national security or institutional issues, the National Security Council is only allowed to draw the

government's attention to issues dealing with national security. The Armed Forces have a limited role established by the Constitution itself. I do not agree with a general interpretation that allows Armed Forces intervention in democratic institutions.

[Oyarzun] According to your interpretation, how should the Armed Forces fulfill their role?

[Rojas] In the instances I have mentioned: during elections, during exceptional situations, and when the National Security Council meets. There are no other instances.

[Oyarzun] Do you approve how the National Security Council is structured? Do you agree with its prerogatives?

[Rojas] I fully agree with how it is structured. As members of the democratic opposition parties during the military regime, we noted the need for restructuring it, but we agree with the current structure. I believe this is something that can still be discussed within the framework of a future constitutional reform. But I particularly want to stress that the National Security Council has not been established recently. It has been operating in Chile under other names for several decades, and it was constituted under special situations our country has experienced. Therefore, the National Security Council is part of the institutional system Chile has upheld for several decades.

[Oyarzun] Which should be the duties of the National Security Council?

[Rojas] This is something that can be debated. There are countries in which the council effectively carries out operations and studies issues dealing with national security, but mainly dealing with foreign issues. This is the case of the U.S. National Security Council comprising the State Department, the Defense Department, the President, the White House, etc. It views situations that jeopardize U.S. security in a broad sense of the word.

However, there are other cases in which the council does not have a permanent role, it does not meet routinely. In Chile for example, the Defense High Command [Estado Mayor de la Defensa] is permanently assessing foreign threats and the need to implement political-strategic plans to face any hypothetical conflict. [passage omitted]

[Oyarzun] Do you believe that the Armed Forces' budget is adequate, or that it should be reduced in order to spend more on social projects, as some leaders of government parties have pointed out?

[Rojas] We will keep to the commitment that we made when we discussed the Armed Forces budget. Without having knowledge of the overall state of public revenue, without having all the details that we have today regarding the management of public expenses, we promised to make an effort to maintain the level of allotments for the defense sector, including the specific, or special, allotments that this sector has. Moreover, we said that we would accept the exclusion of the Armed Forces from the accounting systems and from submitting accounts that rules all the common financial administration of the state. In this respect we reiterate our position. When some last minute draft bills were discussed, in which some military institutions were excluded from these rules, we stated that we were against that position. We pointed out that a resolution had been approved within the budget law regarding the format of the budget, which had a complicated mathematical formula. Of course, we have said and maintain that the practical application of this law and of these questions related to budgets and expenditure, therefore, the government has the right to a revision when the overall situation of the economy demands it.

[Oyarzun] But, has a decision been made to reduce the budget?

[Rojas] That is what I have told you. [passage omitted]

[Oyarzun] Do you know what the Armed Forces are thinking of at this time. Do you know what they are doing?

[Rojas] No. I do not believe that in two months a minister can give a categorical answer to that. I would say we are beginning a process of getting to know the terrain, of information, and of close contact. The civilian undersecretaries are an important new experience. We all have the spirit of cooperation and of acting under rules of mutual respect and I believe that everything is going well. I believe we have overcome the difficulties. I believe that there is a situation in which the roles of many civilians and military men are being readjusted after a very prolonged period in which the military took on such a decisive role in government.

The Constitution changed on 11 March 1990 and it is in force, but the attitudes of men do not change over night. Therefore, I always speak of the need for adaptation and adjustment to the new roles, and I believe that there should be a change in the mentality of many persons who had government tasks, such as being intendants, ministers, and who are now in the role of being professional military men and absolutely restricted to their sphere of activities.

[Oyarzun] You would say they are like newlyweds, they have to go through a stage of adaptation?

[Rojas] I believe that we have to adapt, and we all know who within the military has to make the greatest effort to adapt.

[Oyarzun] Who?

[Rojas] That is the secret that everyone knows.

[Oyarzun] Do you agree with the assertion made that on naming civilian undersecretaries in the Defense Ministry the disconnection between the executive branch and the Armed Forces will increase?

[Rojas] The period of time has been very short to evaluate this, but I would say that the experience of two months reveals that the institutions of the Armed Forces are keeping good links with the civilian undersecretaries and vice versa. The undersecretaries are revealing that they have professional capability, experience, and that they can undertake their function of contacting other government entities, other public entities, etc. [passage omitted]

[Oyarzun] Do you believe that there is mistrust in the relations that the civilians have to maintain with military institutions and vice versa?

[Rojas] I believe that our country experienced secular misunderstandings between civilians and the military during the whole tenure of the previous government, but they also existed in other decades. We are working for a harmonious civilian-military relationship; to do away with the possible mistrust that could exist as we begin to establish something that is really new, the human relationship, the mutual confidence that is needed in this sector so that the Armed Forces can really be—and this is something that I desire—not only a fundamental security and defense institution, but also have democratic stability.

[Oyarzun] Do you believe that the current number of Armed Forces' personnel is sufficient, or that the Armed Forces have too many men, as some of the party leaders of the Coalition of Parties for Democracy have indicated?

[Rojas] All the ministries are currently evaluating this point. They are evaluating the country's real military needs. I believe that today we have a deterrent defensive capability that is adequate for a climate of peace, and are permanently revising their restructuring, including their adaptation to technological changes and the training of all the military chiefs.

[Oyarzun] General Fernando Matthei, Air Force commander in chief, has stated that the defense minister is "the political chief of the Armed Forces." How would you define the concept of "political chief?"

[Rojas] He repeated what is established in the Constitution, in other words, the Armed Forces are subject to the Defense Ministry. The pertinent article states this clearly, and, of course, the subject means to be subordinate to the civilian political branch that is represented by the chief of state, and the chief of state has the defense minister as his direct representative. Now, what I say and repeat is that the apolitical role of the Armed Forces must be maintained in this period and this must be strictly respected by everyone, and that the defense minister is the only person who can make political statements.

Silva Discusses Reform With Israeli Daily

TA3105160290 Tel Aviv HADASHOT in Hebrew 31 May 90 p 19

[Interview with Foreign Minister Enrique Silva Cimma by Shlomo Slutzky; place and date not given]

[Text] In 1986 he visited Israel as leader of Chile's opposition front. Now he is here as a foreign minister. Enrique Silva Cimma then and now, talks about moderation. Time and again he mentions the formula which, in his opinion, will return Chile to democracy without violence. In an interview four years ago he promised: "Step by step, a little bit of patience, and Chile will become a model country." Today he is very pleased. "We showed Pinochet that the opposition's ranks were united," says Silva. "In 1987 I withdrew my candidacy for the presidency on behalf of six left-wing parties in favor of Patricio Aylwin. This was in order to form a front made up of 17 centrist and left-wing parties. The two of us, Aylwin and I, formulated the approach of 'expanding legitimacy within the dictatorship.' That, we definitely managed to do."

[Slutzky] Nevertheless, Chile seems to be a democracy under military rule.

[Silva] Military rule in which the elected government implements its principles by means of calm and calculated moves. If you are referring to General Pinochet remaining chief of the army, according to the Chilean constitution the chief of the army is subordinate and answerable to the president. We have no fears on this point.

[Slutzky] But this law stems from the constitution that Pinochet forced on Chile in 1980.

[Silva] That is correct, but in June 1989 we introduced 50 amendments to it which were almost unanimously approved in a plebiscite. Many antidemocratic clauses were canceled, including the ban on parties. The Council of State was transformed from a military institution into a civilian consultative body.

[Slutzky] Juan Andres Lagos, editor of the left-wing paper EL SIGLO, was arrested a few weeks ago. Twenty television staffers who exposed torture and political murders during the previous regime are undergoing trial. Is that what you call civilian rule?

[Silva] I still have a conviction pending against me from 1983 for having accused the police of murdering a trade union leader. I was sentenced to two months in prison, but later the law was amended and my sentence was raised to 10 years. Within the next few months we are going to enact new legislation which will largely reduce the jurisdiction of the military legislature and the sentences it can mete out. We have already introduced substantial changes in the laws enacted by the previous regime, and we will continue to do so, step by step, through democratic means.

[Slutzky] Will the refusal of military men to face trial for human rights violations persist?

[Silva] We have set up a commission of inquiry to get to the bottom of the human rights violations committed from the time of the military coup in 1973 until the changing of power in 1990. The findings of the inquiry will be published and we will then examine the action to be taken as a result, including legal proceedings. At the same time, we will allow citizens to press charges against security personnel who mistreated them.

[Slutzky] What is the attitude of democratic Chile toward governments, including that of Israel, who helped Pinochet's tyrannical regime?

[Silva] There is no lust for revenge among Chileans today. So, why should we want to take revenge on friendly countries which have had, and continue to maintain commercial relations with us?

[Slutzky] For years now Chile has been described as an economic miracle. What did you find when you assumed power?

[Silva] It should be noted to the credit of the opposition front that it did not do away with the economic achievements of the previous regime the day it became the government. But the previous regime failed to take the principles of social justice into account, and it hurt vast sections of Chile's population. We intend to take these principles into account in our economic policy considerations.

Krauss: No Special Antiterrorist Organization

PY3105151890 Santiago Domestic Service in Spanish 1100 GMT 31 May 90

[Excerpt] During a special session held by the Senate to discuss terrorism, Interior Minister Enrique Krauss asserted that the government will not tolerate terrorism in the country and that it will use all the necessary means to fight this phenomenon.

Minister Krauss, who attended the session accompanied by the justice and defense ministers, added that no special organization to fight this scourge will be created but that the necessary resources will be given to the Carabineros and the Investigative Police to fight terrorism.

The interior minister also stated that the budget the Carabineros need is smaller than the money the National Intelligence Center received annually. He also said that, in the short term, the Investigative Police will have a special unit to fight terrorism. [passage omitted]

Grape Exporters To Demand U.S. Indemnity

PY3105185690 Santiago Radio Chilena Network in Spanish 1700 GMT 31 May 90

[Excerpt] Ronald Baum, President of the Chilean Exporters Association, has disclosed that it will ask the U.S. Government for a $354 million indemnity for the damages caused by the fruit crisis in March 1989 when two cyanide-poisoned grapes were found in a Chilean shipment.

Ronald Baum said that all the information on the case is currently being analyzed to be able make the respective formal request. [passage omitted]

* Case History of Letelier Assassins Outlined

90SM0049D Santiago EL MERCURIO in Spanish 19 Apr 90 p 11C

[Text] Following are the names and descriptions of the principal people involved in the Letelier assassination.

Michael Vernon Townley:

(Charges) Charged with conspiracy to assassinate Orlando Letelier and Ronni Moffit. Accused of travelling to the United States to obtain information collected by Armando Fernandez Larios and to arrange with Cuban exiles for the murder of Letelier.

(Trial) Was arrested in Chile in March 1978 to testify in connection with an inquiry into the forgery of official passports. He was expelled from Chile in April 1978. In 1978 he was charged in the United States with conspiracy in the murder of Letelier. In December 1979 a grand jury returned a true bill, charging him with the murder. Later, in September 1981 a new trial was held in the United States, and Townley testified in favor of the Cubans accused in the case.

(Sentence) Townley was sentenced to 10 years in prison as the author of the conspiracy to murder Letelier, a foreign official, and Ronni Moffit.

(Time Served in Prison) He served in prison for 4 years. He entered the U.S. witness protection program and is now free under another identity.

Alvin Ross Diaz:

(Charges) He was charged with conspiracy to assassinate Orlando Letelier and Ronni Moffit. He was accused of conspiring to obtain explosives and components of explosives and to recruit persons to assist the DINA [National Intelligence Directorate] in the crime against Orlando Letelier.

(Trial) He was arrested on 14 April 1978. He appeared before a Federal Grand Jury in Washington which in December 1979 returned a true bill finding him guilty of the charges against him. In September 1981 he was found innocent of these charges.

(Sentence) Initially, he was sentenced to two prison terms of 5 years each for his participation in the events. He was released on bail in April 1981 and was found innocent of the charges against him in September 1981.

(Time Served in Prison) He served in prison for 3 years and 4 months.

Guillermo Novo Sampol:

(Charges) Charged with conspiracy to assassinate Orlando Letelier and Ronni Moffit. Accused of equal participation with Alvin Ross in the murder.

(Trial) Arrested on 14 April 1978 with Alvin Ross. Testified before the Federal Grand Jury in Washington, which returned a true bill against him in December 1979, charging him with murder. In September 1981 he was found innocent of all charges in view of new statements made by Michael Townley in favor of the Cubans.

(Sentence) Initially was found guilty and sentenced to 5 years in prison on each of two charges.

(Time Served in Prison) Was in prison for 3 years and 4 months. Was released on bail in April 1981.

Jose Dionisio Suarez:

(Charges) Accused of conspiracy to assassinate Orlando Letelier and Ronni Moffit. Accused of activating the bomb which blew up the vehicle in which the former chancellor of the Chilean Embassy was travelling.

(Trial) Was a fugitive from justice, in hiding since 1978. Was arrested on 11 April 1990 and is scheduled to appear before the Federal Grand Jury to face charges against him.

(Sentence) Faces two charges with maximum sentences of life imprisonment on each count.

(Time Served in Prison) None

Virgilio Paz Romero:

(Charges) Charged with conspiracy to assassinate Orlando Letelier and Ronni Moffit. Accused of equal participation with Alvin Ross in the murder.

(Trial) Still a fugitive. Paz Romero, Alvin Ross, Guillermo Novo, and Jose Dionisio Suarez are listed as members of the Cuban Nationalist Movement (MNC), an anti-Castro organization.

(Sentence) None

(Time Served in Prison) None

Ignacio Novo Sampol:

(Charges) Charged with testifying falsely during his trial in the United States.

(Trial) Arrested in May 1978 and finally sentenced in September 1981 for perjury.

(Sentence) Sentenced to 18 months in prison.

(Time Served in Prison) Served his sentence during his trial. Presently free.

Armando Fernandez Larios:

(Charges) Charged by U.S. authorities with conspiring to assassinate Orlando Letelier and Ronni Moffit. Was specifically accused of travelling to the United States to shadow Orlando Letelier and learn the times and places of his movements, the location of his home and office, the route which he was accustomed to follow on his way to work, and finally to deliver a report on the above subjects to Michael Townley.

(Trial) Arrested in August 1978, following a request for extradition made against him by U.S. authorities. In October 1978 he testified before Judge Israel Borquez. Finally, the request for extradition was denied, as it was based on the testimony of Michael Townley, who was paid for his services. In February 1987 he appeared before a United States court and pleaded guilty to participating as an "accessory" in the murder of Letelier. In March 1978 he testified in connection with the trial for the forgery of official passports.

(Sentence) Sentenced to from 27 to 84 months in prison.

(Time Served in Prison) Served 33 months in jail, including the 14 months of arrest in the Military Hospital in Chile. Fernandez Larios, a major in the Chilean Army, applied in January 1987 for automatic resignation before travelling to the United States. Released in September 1988 and is now under the U.S. witness protection program.

Manuel Contreras Sepulveda:

(Charges) U.S. courts accused him of conspiracy and ordering the assassination of Orlando Letelier and of using for that purpose the resources, contacts, funds, and intelligence apparatus of the DINA to arrange international travel, obtain the false documentation necessary, take care of the per diem expenses, and provide the other things necessary for the operation.

(Trial) Was placed under house arrest in August 1978 in view of the request for extradition outstanding against him by the U.S. courts. In October 1978 he testified before Judge Israel Borquez for 7 hours. The request for extradition was finally rejected both by Judge Borquez as well as by the First Chamber of the Chilean Supreme Court in July 1979.

(Sentence) None

(Time Served in Prison) Under house arrest and later detained in the Military Hospital while the extradition petition was considered. In March 1978 presented his voluntary resignation from the Chilean Army.

Pedro Espinoza Bravo:

(Charges) Accused by U.S. authorities of transmitting to Fernandez Larios and Michael Townley the order to assassinate Orlando Letelier and of having instructed them to prepare the operational details of the mission.

(Trial) Was placed under house arrest on the same date as Contreras Sepulveda. On 19 October 1978 testified before Judge Borquez for 6 hours on the basis of the request for extradition outstanding against him. Espinoza again testified before Judge Borquez in May 1979, 5 months before the Chilean Supreme Court finally refused the request for extradition.

(Sentence) None

(Time Served in Prison) Was placed under house arrest and later sent to the Military Hospital while the request for his extradition was being handled. Presently free and retired from the Chilean Army.

Liliana Walker Martinez:

(Charges) Was recorded as having accompanied Armando Fernandez Larios on a trip to Washington made on or about 26 August 1976. Both persons returned to Chile on or about 9 September 1976. She reportedly carried out intelligence duties related to an investigation undertaken in the office of Codelco Chile [Chilean Copper Company] in Washington.

(Trial) The name of this woman was allegedly linked to the Letelier case, once the North American authorities sent to Chile a request related to two official passports used by Armando Fernandez Larios and Michael Townley. On 16 April 1990 a woman appeared in Santiago, Chile, who stated that she was Liliana Walker. However, her true name is Luis Lagos Aguirre.

(Sentence) None

(Time Served in Prison) None

Correction to PCCh Leader on Internal Issues

PY3105040090

The following correction pertains to the item headlined "PCCh Leader on Democracy, Internal Issues," published in the 31 May Latin America DAILY REPORT, page 35: Column one, make sourceline read:...PY3005221390 Santiago FORTIN MAPOCHO in Spanish 24 May 90 p 5 (correcting source, date)

* President Aylwin Outlines Judicial Reforms

90SM0049B Santiago EL MERCURIO in Spanish 8 Apr 90 p 11D

["Text" of speech by President Patricio Aylwin Azocar at the inauguration of the Convention of Judges on 30 March 1990 in Pucon]

[Text] It is a happy coincidence and a source of satisfaction for me, that one of my first public appearances in performing the duties which the people have entrusted in me should be at this Convention of Judges. You know, and all of my fellow citizens should know it, that my fundamental objective is justice. The primary objective of my government will be to seek to achieve justice in the various aspects of national life.

Justice and law have been part of my life since childhood. Together with my father, a judicial magistrate; during my youth, as a student of law; after having qualified as a lawyer, when I taught at the National Institute and in the schools of law at the University of Chile and at Catholic University; as a lawyer, applying the law and fighting for justice; as a senator, participating in lawmaking; as a political figure, respecting and watching over improvements in the law; and now as president, doing honor to my oath to comply with and to have the constitution and the laws of the Republic complied with and trying to ensure that justice is done to all of my fellow citizens, with prestige, confidence, and efficiency.

This is a good opportunity for us to reflect together as government officials, judges, and lawyers, on what Chile has the right to hope for in terms of the administration of justice, in this new phase of our national life.

Thank you, Mr. President of the Convention, for your invitation to participate in this ceremony. Thank you, judges, for your decision—as evidenced in this meeting—to assume your responsibilities to reflect seriously on how to improve the administration of justice in Chile.

No one can objectively deny that the administration of justice is going through a serious crisis. Surveys of public opinion and scientific research, the current opinions of ordinary citizens and the analysis of the chief justice of the Supreme Court in his latest report—all of them agree in pointing out the serious deficiencies which afflict our judicial system. There is a shortage of courts. The courts lack adequate resources. Verdicts take too long to reach and are frequently useless in the penal area. Many people have no access to justice, and many others consider that it is a waste of time to have recourse to it. Above all, our citizens think that the judiciary does not act as a really independent branch of government. The system of justice is seen as a mere public service which "administers justice" in a more or less routine way, too much devoted to the letter of the law and often open to influence by the government.

This criticism has special relevance regarding the questions in which the previous government had some interest, and above all in terms of human rights. Public opinion thinks—and I share that view—that in the great majority of cases our courts did not make sufficient use of the powers which the constitution and the laws gave them to protect the fundamental rights of the people, which is their most important task.

The events which have led to the serious deterioration of collective confidence in the Chilean judicial system to a large extent reflect the circumstances through which the judiciary, like the entire country, lived, subjected to an authoritarian, political regime foreign to the basic principles of the rule of law, which is the natural medium in which the system should function. The restoration of democracy must be an opportunity to confront the crisis and overcome it, through constitutional and legal

changes and the renovation of the judiciary, which the national conscience demands.

My government has made a firm decision, which is our commitment to the people of Chile, to confront this problem in a straightforward and basic way and to raise the judiciary to its highest level, seeking to ensure that its institutional status will make it an effective and truly independent branch of government. To do this, we intend to undertake a fundamental reform, in organizational as well as procedural terms, which will turn it into an effective instrument to achieve justice in social coexistence. This is an ambitious project which we will seek to carry out gradually.

I know the enormous difficulties involved in the work of judges and magistrates, especially those in more isolated areas. There is an excessive number of cases. The facilities are poor. There is a lack of technological equipment and access to a minimum number of reference books. I also know that the great majority of you are making efforts worthy of the greatest praise to serve the people with a rapid and effective administration of justice.

The shortage of resources which the government has, particularly in 1990, during which we have received an already prepared budget to which we are committed until 31 December 1990, with no provisions for readjustments—these make the investment of more money necessarily limited and gradual, both in terms of salary increases and the procurement of equipment. Nevertheless, we will make every effort to cooperate with the competent organs of the judiciary to adopt the best and most modern methods to make better use of the resources which we presently have.

On the other hand we wish to develop an effective judicial career, which fully respects the dignity of magistrates. We will propose legislative changes to ensure that the systems for the appointment, promotion, and qualification of judges will be sufficiently objective, open, and competitive to ensure that only the criteria of efficiency and functional fitness will be relevant for entry and promotion in the judiciary. We promise to abide exclusively by these standards when we choose among candidates for promotion until the constitution and the laws are changed in this regard. I hope that it will never be necessary to ask for an appointment with a minister, a subsecretary, or other officials to present the merits of a candidate. These merits will be found in their qualifications, in their service record, and in the independence and distinction with which they have performed their duties. I ask you to be confident that we will proceed in this way.

Pardon me if I depart from my prepared text to make a reference which has great value to me. My father was a judge, like the majority of you, and he was a man "with a stiff backbone." He refused to curry favor with his superiors to be included on lists of candidates for promotion. He faced some delays in promotion for that reason. However, after all, he enjoyed the high regard of all of his colleagues in the courts and of all of the lawyers, who knew that he was very independent.

And as he was a senior judge, he had a system which he called "my pragmatic test." He evaluated the merits of every official in terms of the extent to which he did his duty, knowing what appeals or references to higher courts were made against his judgments, and reviewing the correctness of his sentences. And on that basis, as well as the basis of seniority, he made his list of judges whom it would be proper to promote.

And I saw him do this. More than once I heard him praise some judges who went through this experience. They came to talk to him, saying: "Judge, I have come to ask for your vote." And he answered them: "Look, do not demean yourself by coming to ask for my vote. According to my notes, you are in third place. Although I may have appointed two others who were ahead of you, I am going to vote for you."

And I have heard judges who, when they received that answer from him, recognized his frankness. They expressed their appreciation to him.

I wish that we could follow and adopt that system. Whatever I do during the next 4 years, I will try to hold strictly to this system which my father taught me.

At the same time I wish to ask the judicial authorities on this occasion to try to use these criteria for the permanent improvement of justice which the people are calling for. The system of cooptation may lead to the formation of judicial cliques and even nepotism, which seriously damages the authority and prestige of the judiciary.

Public and well considered evaluations, prepared by an immediate superior, with further comments or appeals, depending on the case, will make the judge feel that he is supported in his independence, protected in his career and with a sure feeling that his further progress will depend on the way he does his duty and not on other factors.

Let me say a few words on the freedom of the judge and the consequent responsibility which this involves. The country is convinced that the judges have limited themselves to implementing the law. What is certain is that although the law is the framework for a judge's decision, it does not necessarily determine what it will be. A judge's beliefs, values, prejudices, and opinions play an undeniable role in his decisions. Judges have a great deal of scope in the interpretation of the law, and their opinions are decisive in the exercise of the powers which the law confers on them.

The value of jurisprudence as an instrument for the development of the law, on the basis of the actual interpretation made of it, in the interests of justice and the common good, is a factor which must be fundamental in the administration of justice.

Consequently, the protection of human rights and the achievement of the other purposes of the law—security

and justice—have ceased to be exclusively a problem for the legislator and have come to be also a judicial responsibility. If the law does not set out a judicial solution to a problem, but rather gives it a framework, each judge is required to know himself very well, in order to recognize his own values and prejudices which may have an impact on his decisions. The decisions should convince those involved and should be clear. For that purpose it is necessary to prepare properly reasoned decisions. There is an imperious need for judges to base their sentences and to identify the legal norms, principles, rules, and arguments and considerations of equity openly and in decisive fashion which brought them to a given conviction regarding a case.

The abuse which the parties involved make of extraordinary appeals such as procedural complaints—I believe that here there is an essential need for a reform in our judicial system. The Supreme Court must not be turned into a kind of lower court through hearings of procedural complaints. In 1989, according to the chief justice of the Supreme Court—he will be able to correct me if my memory fails me—while the Supreme Court ruled on somewhat more than 500 substantive appeals, it handed down judgments on more than 2,000 other cases involving procedural complaints. The truth is that this was never in the mind of Manuel Egidio Ballesteros nor that of the other drafters of the Organic Code of the Courts or of our laws on procedure.

The abuse of these appeals and the insignificant foundations for decisions on them have distorted the jurisdictional function. The juridical and rational foundation of a sentence is the way in which the judge accounts for the mission which society has given him to administer justice. Public criticism on this matter is legitimate and must be considered by judges.

Let me say to you very frankly that, in my view, the independence of the judiciary lies not only in the organic standards which guarantee it and not only in the subjective disposition of the judge of believing or feeling that he is independent. It demands both things and something more: the determination of the judge to discover the truth at all cost and to be just, protecting himself with a hard shell from every kind of influence and pressure, even those resulting from his own prejudices and the overall views of society and daily events. This requires a judge constantly to identify himself with the realities of the contemporary world and, most especially, the world in which the people live who have recourse to him. If this is not the case, judges run the risk of doing justice in a theoretical way, unrelated to the realities of life. And justice demands of them, at the same time, that they know how to place themselves above the passions and tendencies which pertain to the human condition.

Let us pass on from personal to institutional considerations.

We agree that since a democratic, political regime is the best system developed by mankind to resolve political and social conflicts peacefully, the rule of law is a basic pillar of democracy. However, it is also true that, without an independent system of justice, a rule of law does not exist.

We hope to propose a constitutional reform which will turn the public judicial service into a real arm of the state—into the judicial branch! To do that, we will need organizational autonomy and financial independence. We think that the establishment of a National Council of Justice, in addition to emphasizing the importance and meaning of the judiciary, will favor its independence and improve its efficiency.

I know that this matter will be the subject of an important debate at this convention. We are open to opinions and suggestions and we value them in advance.

The National Council of Justice should be regarded as a basic organ of the judicial branch of the government, which will have exclusively nonjurisdictional powers. The latter will be reserved to the courts established by law. Within these nonjurisdictional powers would be the direction of judicial policy, including the administration of the overall budget allocated to the judiciary, and its role, through the nomination of a list of several candidates, in the appointment of judges, prosecutors, and lawyers who appear before the Supreme Court. Also included among its powers would be the supervision and direction of auxiliary organs of the administration of justice, such as the Judicial Police, the Criminal Laboratory, the Institute of Experts, the Legal and Medical Service, etc. Further included among its powers would be the supervision and direct administration of the prison system, a judicial school, and a service of juridical assistance.

The National Council of Justice would be made up of representatives of the courts, of the president and of the National Congress, of the law schools of the universities, and of lawyers. It would be presided over by the chief justice of the Supreme Court. This organization would provide the judicial branch with full independence of the other branches of the government. It would also make it possible to avoid the defects found in the present organization. It would be able to increase the efficiency of activity in the courts, providing them with basic services. It would seek an overall improvement in the work of the judges. It would have judges and magistrates within its own jurisdiction, freeing them from administrative and economic duties. It would ensure their independence and freedom from political influence in such a way that only criteria of excellence would determine general policies, appointments, etc. With the creation of the National Council of Justice we wish, in short, to strengthen the independence and status of the judiciary.

We also consider that it is very important to encourage the adoption of the necessary reforms to make a reality of the hope, so much shared by judges and lawyers, of creating a judicial school to train lawyers and auxiliary personnel of the administration of justice who have a

vocation for entering the noble judicial career and to train judges in their duties, an important prior step for promotions. Experience in training programs carried out by the Institute of Judicial Studies and various academic centers in the country would be the foundation of the Judicial School. In it doctrinal and practical questions should have priority to strengthen the sense of ethical and social responsibility of so delicate a mission and to prepare and to share the skills and capacities proper to the judicial function. To achieve this purpose, it will be necessary to change the constitution in terms of the standards for entry into the judicial branch and subsequent promotions.

In another order of ideas we have included among the draft bills which await consideration by Congress certain reforms which set out the powers of the Military Tribunals, restoring them to their proper function, including judging military crimes, giving broader powers to judges in the exercise of their power of granting provisional freedom, and deciding on the value of confessions. The Military Tribunals would also have the power to rationalize proceedings and punishments, so that our fellow citizens would see that the tribunals carry on proper, just, and rational trials. These institutions would be known as Independent Tribunals, which would lend prestige to the judicial branch and contribute to reestablishing confidence in it.

In another area we should recommend to Congress procedural and organic reforms which would make it possible to deal with urgent situations, which would try to speed up the judicial process, and which would improve the quality of the service, extending them to the most deprived groups among our people. These proposed reforms would create local peace courts and would improve the judicial assistance service. In the preparation of these proposals we should evaluate the reforms introduced recently and should continue to advance toward expeditious justice within the reach of everyone.

I attach enormous value to the contribution which judges and magistrates can make to deepen our understanding of these problems and their possible solutions. I ask you earnestly for your help. You know better than anyone what are the faults in the system, where they are, and what have been the results of experiments undertaken up to now, as well as what are the possibilities for improvement. We will listen to your opinions with special interest, and, of course, I appreciate your views.

I could not conclude these remarks without expressing my appreciation to the National Association of Judicial Magistrates and to the Institute of Judicial Research, which have promoted the development and improvement of the judiciary, providing an opportunity to the judges themselves to make progress in their personal and professional development.

It is true that there is a crisis in the system of justice in Chile and a loss of collective confidence in this respect. However, it is also true that within the judicial branch there are people who are trained, efficient, and honest. Despite the obstacles which they encounter, they feel responsible for overcoming the present signs of crisis and for carrying out, as well as possible, their high mission of providing justice, which the people have left in their hands. They are the fundamental basis for renovation and for the reforms which we will carry out. I have confidence in them and in you, and I feel optimistic. With happiness, with determination, full of memories and of hope, I invite you to participate in the important field assigned to you, in the noble task of building a Chile in which there will always be justice for all.

Colombia

Ambassador Disagrees With Londono, Resigns

PA0106021790 Paris AFP in Spanish 0654 GMT 31 May 90

[Text] Gustavo Vasco, Colombian ambassador to Caracas, said on Wednesday [30 May] that he has nothing to apologize for concerning the remarks he made about the Gulf of Venezuela during an interview with privately-owned Radio Cadena Nacional [RCN] of Bogota. Vasco said he had resigned his post.

The diplomat made this statement after he was discredited by Foreign Minister Julio Londono regarding what Vasco told the Permanent Secretariat of the Venezuelan Defense Council in Caracas over the weekend. Vasco had said: "Colombia understands that the possession of the Gulf of Venezuela is vital for Venezuela."

Vasco's assertion was not shared by Londono, who said in Bogota that this does not represent the stand of President Virgilio Barco's government. Londono said this was only "a personal opinion of Ambassador Vasco."

Speaking to RCN over the telephone, Vasco said: "I do not intend to enter into an argument with the Foreign Minister. Nevertheless, I have nothing to explain. I made the assertions conscientiously. They were the result of careful consideration of Venezuela's reality."

"In Venezuela, everything related to problems in the Gulf and the delimitation of the areas that belong to us, because we have coasts on the Gulf, is followed with keen interest. It is a very sensitive matter," said Vasco during the Wednesday interview.

He added: "Speaking frankly and spontaneously, we must describe such matters as vital because everything that brings life is vital. This was an evident reality for me ever since I arrived in Caracas," he added.

Confirming that he resigned his post, Vasco said that he plans to return to Bogota early in August.

"If the government thinks that I should return at once because of this disagreement with the Foreign Minister, I will," he said finally.

* Armed Forces' Pursuit of Escobar Discussed

90SM0115A Bogota SEMANA in Spanish
15 May 90 pp 22-25

[Text]

Why They Don't Catch Escobar

All Colombians remember the scene on 6 November 1985: a Cascabel tank rumbles up the steps to the door of the Hall of Justice on the north side of Bolivar Plaza and tries to steamroller its way into the building. Nothing could have been more impressive. Likewise, nothing could have better illustrated the tactical problems of Colombia's Armed Forces and security agencies. In an episode that more than anything else called for the use of commando units to subdue the M-19 guerrillas and rescue the hostages, the authorities wound up utilizing the tools of a conventional war, as if it had been a confrontation between Rommel and Montgomery in the African desert.

This could be the most clear-cut example. But it is far from being the only one. Over the past few months the country has witnessed how in the pursuit of a single man, Pablo Escobar Gaviria, not only have the tanks reappeared, but also fighter aircraft of the Colombian Air Force, not to mention entire battalions of soldiers and brigades of hundreds of policemen. All this to surround and occupy an area of more than 2,000 square km, in which trying to locate Escobar, regardless of the number of troops, planes, and tanks, is like trying to find a needle in a haystack.

The fact is that more and more Colombians are wondering, half indignantly and suspiciously, why it has not been possible to capture the chief of the Medellin Cartel. The generals of the Republic, who are in charge of the situation, are the focus of public opinion, and for the first time in many years some major political leaders have begun to talk openly of the issue, which used to be considered taboo. While the candidate of National Salvation, Alvaro Gomez, stresses that in Colombia "there is no authority because they can't catch anyone here," Liberal candidate Cesar Gaviria speaks of "the shaky results of the authorities' actions against criminal organizations," and former President Alfonso Lopez talks straightforwardly of the need to revamp security agencies. "Many believe that something is wrong, but the truth is that everything or almost everything is wrong," SEMANA was told by a specialist who has been investigating the matter for years and who is convinced that with the current methods it is impossible for the government not only to win but even to fight this war. Besides consulting with him, SEMANA spent several days investigating the real dimensions of the problem with civilian and military sources in the government and with other nongovernmental experts. This magazine also had access to a major part of a lengthy secret document that is in the hands of the administration's upper reaches and contains a detailed analysis of the question.

Wrong Structure

The aforementioned specialist who says that everything is wrong begins by explaining that the structure of the country's Armed Forces and security agencies is based on an altogether mistaken principle in light of the circumstances and peculiarities of Colombia's problem: "From the time of independence everything having to do with security and defense in Colombia has been based on the idea of confronting an external enemy. The only foreign war that we have had is the one with Peru, whereas we've had loads of civil wars and irregular battles against guerrilla or paramilitary forces or against groups of bandits and terrorists."

This is particularly clear in the case of the military forces (the same Armed Forces, but excluding the police). We can see here the structure of an army, a navy, and an air force that plan their activities, tactics, and purchases with their minds always on an external enemy. We need only take a look at the more than a billion dollars that was spent during the second half of the past decade in the form of foreign loans for four projects to meet external-defense needs, which are at least debatable as priorities. We are talking about the purchase of the Israeli Kfir aircraft, the repair work on the navy's submarines, the Malaga Bay project on the Pacific, and the Marandua project along the border with Venezuela. "It doesn't take much imagination to realize how much could have been done to fight the guerrillas, terrorism, and drugs with that money," the source remarked.

Some military officers justified the purchase of the Kfir's by arguing that not only did they fulfill the purpose of deterring Venezuela but could also be used in locating guerrilla camps and coca-paste laboratories and transportation routes from Peru, Brazil, and Bolivia. However, the aircraft could perform these tasks only if they were outfitted with special radar equipment, which (proving the constant foreign-enemy approach in national defense) was not requested in the order to the manufacturers; although this shortcoming is going to be corrected, it will be done only when the Kfir's need a general overhaul, which will be in a few years.

As for the repairs on the submarines, although the numbers are confidential, there is talk of spending more than $90 million, which is equivalent to more than 70 percent of the Barco administration's spending on the Navy. "The case of the submarines is shocking," a civilian official in the administration says, "because repairing the submarines is of absolutely no importance in addressing the domestic law-and-order problem." And while the Navy was spending $90 million on its submarines, the upper reaches of the administration were learning that in order to monitor the numerous waterways along which weapons are transported to the guerrillas and drug traffickers, as well as the chemicals and raw materials needed to produce cocaine, the Navy had only five vessels. "If we bear in mind the special features of the internal wars that the country is fighting, rivers have much greater strategic value today than our

seas," remarked an army officer who is particularly critical of the way in which the military, especially the Navy, spends money.

Zero Coordination

But this approach to national defense does more than distort spending decisions. It also distorts tactical planning, which is obviously done on the basis of the equipment available for each operation. If, for example, thoroughly verified information is gained about Escobar's whereabouts, the high commands meet to see what sort of equipment they have for the operation. And since this equipment was procured with an eye towards an external conflict, it either simply is of no use or must be crudely adapted. "One of the times that 'El Mexicano' escaped when we had him surrounded in the Magdalena Medio, a few weeks after Galan was assassinated, he was able to flee because he was alerted by the noise of the A-37 aircraft. We had requested this support in the event that Rodriguez Gacha tried to escape by air, but the lack of coordination was so obvious that the A-37's took off ahead of schedule, and the man got away on us before we could close in on him," a police source recalled.

Although it seems incredible, the main criterion in Colombia for assigning responsibilities to the various branches is essentially geographic. Instead of coordination and cooperation, the tradition has been for the Air Force, the Army, the Navy, and in some cases the police itself to allocate their missions by regions. For several years now the plains along the Atlantic coast have been assigned to the Marines, who in spite of their meager training and specialization in these tasks have had to tackle the problems of a region that in recent years has seen guerrilla and paramilitary problems worsen more than anywhere else in the entire country.

The criteria of geography are not just seen in the assignment of missions to the various branches. They often apply inside each of the branches. This is especially clear in the case of the Army. As far as the Army is concerned, the country consists of divisions, which in turn are divided into brigades. Although this structure is not in principle mistaken, it has proven to have serious shortcomings over the past few years of warfare.

The best example, although not by any means the only one, is the patrolling of the Cano Limon-Covenas oil pipeline. Seven different military commands have authority over the strip of land through which the pipeline runs, and it is not always easy to get them to agree or to authorize the transfer of troops from one command to another. "No one who doesn't know the Army up close can imagine how hard it is to transfer troops from one command to another. All of the officers who have troops under their command are very jealous when it comes to losing troops. Flexibility is lacking, and so is a sense of efficiency in all this," a civilian official asserted.

These problems became evident a few months ago on the pipeline. Just when the brigade in charge of guarding the pipeline and of battling the ELN [Army of National Liberation] in the stretch from Cano Limon to the Zulia River in North Santander was finally learning how to hit that guerrilla group, had set up a relatively reliable intelligence apparatus, and was preventing bombings of the pipeline, the ELN started attacking the next stretch of the line on the other side of the eastern mountain range. The logical thing would have been to transfer those men, or at least a good number of them, to the new combat zone so that they could combine their know-how and experience in fighting the ELN with the know-how and experience of the men in the other brigade regarding the particular features of the new area of operations. But a quite complex bureaucratic procedure is required to do this, and it was not possible.

A first acknowledgment of the mistakes that have been made in this field came late last year. Mobile brigades like the one that has been moving against the EPL [Popular Liberation Army] in Cordoba and Sucre were set up. This is sort of like adapting what has already worked in the police force to the army's structure: the Elite Corps, which is nothing more than a mobile brigade of policemen, headquartered in Bogota, who are sent anywhere in the country that their services are needed. "Although it is not easy to change such ingrained ideas, we have made headway, with the idea of the mobile brigades, towards the specialization of our troops not only on the basis of a given area or region but also on the basis of an enemy," one of the administration sources commented.

There are problems in operational coordination, but there are also problems in intelligence work. Although this is the field in which the most progress has been made, according to the experts, because the DAS [Administrative Department of Security] and DIJIN [Judicial and Investigative Police Directorate] have made considerable gains today in investigations, the fact is that the Colombian Government still has a long way to go before it has the sort of intelligence organization that it needs under current circumstances. There are at least five intelligence agencies: the DAS, the DIJIN (police), the B-2 (Army), and the agencies of the Air Force and Navy. Such a multiplicity of agencies is not necessarily bad if competition among them is encouraged so that the civilian government obtains information. This is the case in most countries of the world. But in order for such multiplicity and competition to work, someone at the highest level of the civilian government (generally the minister of government or the interior) must be able to coordinate the activities of each of those agencies and, above all, be able to promote rivalries and get each of them to bring him more and better intelligence. Although Colombia has a National Intelligence Council, it never meets, which means that each agency operates as if it were from a different country.

Some progress has been made in integrating DIJIN and DAS activities. But this is due more to the empathy between their chiefs, General Miguel Maza and Colonel Oscar Pelaez, than to an organization that allows for it.

There have also been gains in Medellin, the current center of operations against narcoterrorism, where General Harold Bedoya, the commander of the Fourth Brigade, has achieved a high level of coordination with the DIJIN, the DAS, and the Elite Corps in this struggle. In spite of this, Bedoya acknowledges that results are needed and that if they are not seen soon, "the morale of the troops is going to start being adversely affected."

And so will the morale of the citizenry, to judge by incidents such as the two car bombs that exploded on Saturday evening on Niza and Quiroga in Bogota, and the other two that went off in Cali at dusk. At least 20 Colombians joined the long list of war victims, and there were reports of more than 150 people wounded plus losses in the millions.

Promotion Criteria

But the problems are far from being limited to equipment procurement processes and the tactical planning of operations. There are also many serious problems involving advancement and promotion in the structure of the Armed Forces. The first thing that strikes anyone analyzing this situation is that the civilian government never has enough background information to decide on a promotions policy. There are very few civilians, inside or outside the government, who know what is happening within the military commands, and this forces the top echelon of the administration to leave decisions on promotion and advancement up to the high command.

But aside from the need to have civilian officials who specialize in military matters, all indications are that as far as advancement and promotion are concerned, what have to be changed are, above all, the criteria. There are currently two kinds of criteria, official and unofficial. The official ones involve seniority, courses, ranks, and medals. The unofficial ones have to do with the factions and groups that exist within the military command; according to one source, "it's something like military patronage."

The official standards represent a somewhat bureaucratic approach to promotions, which in turn dictates an almost defensive attitude among officers. If one of them is just 6 months from being promoted to major, he will surely try to run as few risks as he can in both combat action and in administrative matters, to avoid jeopardizing his promotion. "If a few months before his next promotion an officer has a chance to lead his troops towards a target that would mean striking a heavy blow against the FARC [Revolutionary Armed Forces of Colombia], he may decide to do nothing, because this way he doesn't risk having a few soldiers killed and endangering his promotion," a retired officer explained to SEMANA.

So what is the alternative to this system of promotion? To base promotions on performance, as is done in countries like Korea. This fosters boldness and imagination among officers. "If promotions were based on performance, we would be putting the officer in the field ahead of the officer behind a desk," an administration official concluded. Furthermore, the fact is that in Colombia's military structure a noncommissioned officer can never be promoted to officer. "One of the secrets of the effectiveness of Hitler's army was the fact that noncommissioned officers who demonstrated their talents could reach the rank of captain. Something of this is retained today in the German, Korean, and Israeli armies," the source added.

In the end, as the car bombings last Saturday evening demonstrated once again, the Colombian Government has a long road to hoe in overhauling its Armed Forces and security agencies and turning them into the true military force that it needs to be successful during the difficult remainder of the century. "At times I think that an in-depth reform of the national defense and security structure is just as important as and, in any event, more urgent than a constitutional reform in order to fight this war with a real chance of success," one of the specialists that SEMANA consulted said.

* Maza Offers Personal Views on Narcotics War

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[Interview with DAS director General Miguel Maza Marquez; place and date not given]

[Text] [SEMANA] General Maza, former President Lopez Michelsen made some statements that have caused a major controversy about the effectiveness of the security agencies in the battle against drug trafficking. Do you take this personally?

[Maza] I don't take it personally. Colombia's security agencies, like all institutions, can improve. But where I do see a misunderstanding is that a lot of people expect the DAS [Administrative Department of Security] to solve all security problems. The DAS is basically a strategic-intelligence organization whose main function is to supply information to the government on the dynamics of the various fronts.

[SEMANA] But perhaps people associate the DAS and specifically you with the battle against drug trafficking because of your own statements and because of the fact that every time something serious happens, you're right out in front.

[Maza] They may be somewhat right about that. Although it may not be exclusively up to me, when someone like Jaramillo or Pizarro is murdered, I get going, take charge, and immediately begin pushing the investigations. I call up the Attorney General's Office, I call the generals. I try to tie together all of the loose ends, to follow leads....But it could also be a matter of temperament, because it's not necessarily always up to me.

[SEMANA] So why do you do it?

[Maza] For one very simple reason: Someone has to do it. Otherwise, the country goes off the deep end on us. Someone has to show his face.

[SEMANA] And why does it have to be you?

[Maza] Because very few people want to do it. I hope you don't think that this job is a pleasant one given the situation the country is in. It's easier to lie low than to stand up and point a finger, but I can't shirk my duty.

[SEMANA] Speaking of pointing a finger, some people criticize you for always pointing the same finger: You always think it's Pablo Escobar.

[Maza] The problem isn't what I think but rather what the investigations say. As chief of the DAS, I don't voice opinions; I refer to objective facts.

[SEMANA] And do these objective facts lead you to the conclusion that the assassinations of Bernardo Jaramillo and Carlos Pizarro were ordered by Escobar?

[Maza] Categorically.

[SEMANA] But a lot of people consider this interpretation simplistic. They think that the country's problems are more complex and that everything can't be boiled down to Escobar.

[Maza] What they asked me was not whether I thought the country's problems are more complex; they asked me who ordered the assassinations of Jaramillo and Pizarro, and the investigations point in that direction. The people who believe otherwise do not have any investigation that supports their theory, as far as I know.

[SEMANA] So why don't the investigations ever lead anywhere?

[Maza] I think that's a very good question. From Lara to Jaramillo the country has the information to find out what happened. There have been arrests in all cases. There's the whole body of evidence in the Lara case, yet in 6 years no prosecution has been undertaken. To cite something more recent, the DAS building was destroyed on 6 December; the case has been in the hands of nine judges, and no one wants to take charge of the proceedings. In the Jaramillo case, the woman judge has commissioned two judges to go to Medellin, but they've refused to go. The narcoterrorists have succeeded in doing away with justice. There is complete impunity in a practical sense. This is the country's nightmare.

[SEMANA] Do you think that such impunity is the reason why "El Zarco," one of the alleged chiefs of Escobar's thugs, was not indicted in the Bernardo Jaramillo case even though you publicly pointed to him as the man who had hired the killer who murdered the UP [Patriotic Union] candidate?

[Maza] That's not even impunity. That's disinformation, which could be even worse. The news that appeared in the mass media about the charges against "El Zarco" was completely false. The charges against him stand and are taking their normal course. All this was established beyond any doubt after the false report was made public, but the news did a lot of damage. In my opinion the mass media and public opinion have not been aware of the disinformation that has existed in all of these cases. The case of "El Zarco" is a very clear example.

[SEMANA] In light of what you're saying, do you think that it's worth it to keep on fighting and risking your life?

[Maza] At times one asks oneself whether it's all worth it. There's always something to trip you up, to slip up on....And above all, those criminals going unpunished. But someone has to get things done, even though the problem belongs to everyone, to all Colombia; it's not just mine.

[SEMANA] The public has often heard its generals say that they have Pablo Escobar cornered; we know that his conversations are always being intercepted. So why hasn't he been caught?

[Maza] You may not believe it, but a device that would enable us to locate him precisely hasn't been developed, especially because he's very mobile and uses cellular phones. We even use scanners, but they have a very wide margin of error. Not even the Japanese have succeeded in developing such a device.

[SEMANA] But is Pablo Escobar really cornered?

[Maza] How can a man not be cornered when he lives practically inside four walls, surrounded by his thugs, moving from house to house every 2 or 3 days? We're cutting down on his maneuvering room all the time. Six years ago he was a congressman and a big figure. From then on he's done nothing but lose ground. We've broken up his centers of operation. We've nabbed his key people. We've frozen a lot of his money. We've dismantled entire paramilitary operations that were in his employ. Just 2 or 3 months ago he was still in touch with a few people. Today he's completely isolated.

[SEMANA] Where is Pablo Escobar?

[Maza] In Medellin, which is still a safe city for him.

[SEMANA] But in light of events in recent days all indications seem to be that he still has a lot of offensive capability.

[Maza] Yes, he's still able to launch attacks. There's a lot of money to finance them, and a lot of people are still willing to commit terrorist acts. But Escobar is not the man he was 6 months ago. He's a mad psychopath who smokes marijuana. We have reports that at times he feels under a lot of pressure and says: "I'm going to steal 2 or 3 hours from extradition" and he smokes a marijuana cigarette.

[SEMANA] What do you think of extradition?

[Maza] I feel that it's a political matter; I support it and I have to enforce it.

[SEMANA] What do you think could happen in Colombia if you catch Pablo Escobar?

[Maza] In a practical sense it would be a very important step in the battle against narcoterrorism. It would also have a positive impact on the frame of mind of all Colombians, like when "El Mexicano" was killed. But then there would be a second phase, and that's the other problem, and it's international: drug trafficking.

[SEMANA] What did you think and what do you think when there was and is talk of a dialogue with "The Extraditables," when their famous surrender was learned of?

[Maza] Once "El Mexicano's" organization was broken up and that battle was won, things were going our way. But then political factors came into play, and there was talk of dialogue and surrenders, and that gave them breathing room. We're now seeing more and more people waving the banner of no extradition and talking about negotiating a surrender and trying them in Colombia. There has even been talk of pardons. They have enormous power of intimidation. When "El Mexicano" died, he was said to be the most violent of them, the one who ordered the bombings and the killings. Terrorism has not declined since his death. With their famous surrender they said they were handing over laboratories, but we've found that they're still processing and exporting cocaine; they said they were surrendering their explosives, but they keep on planting bombs. How can anyone believe them?

[SEMANA] To what do you aspire, General Maza?

[Maza] To live in peace, to live a family life.

[SEMANA] Do you bear any resentment towards anyone?

[Maza] None at all. Look, for example, I now have to protect people whom we used to have to pursue in cases of kidnapping, the boys of the M-19. And I do so in the line of duty.

[SEMANA] How do you feel when you read letters like the one from the parents of students at the French School, who asked you to move because they thought it was dangerous having you live near the school?

[Maza] We Colombians are given to waiting for our neighbor to do the fighting. In a way I understand them. But the fact is that the problem of narcoterrorism belongs to everyone, all of Colombia. The battle belongs to everyone, not just me.

* Parra, Londono Arrests Elicit Controversy

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[Text] It was 0500 hours and Guido Parra's family was sleeping soundly in their apartment in the Laureles district in Medellin. They were somewhat alarmed when the doorbell awoke them. It was members of the Fourth Brigade with search warrant in hand. They proceeded to search the house and then drove the attorney to his office, where they rummaged through draws and files. They then drove him to the brigade's headquarters. Similar operations were being conducted at the same time at the residences of Diego Londono White in El Poblado and Bertha Ines Mejia de Serna in Envigado. As this issue went to press, the aforementioned persons were being held at the headquarters of the Fourth Brigade, in Judicial Police custody, as they waited for their cases to be turned over to the appropriate judge.

The communique from the brigade justifying the arrests indicated tersely that they were conducted under the Antiterrorist Statute, "because of alleged assistance to narcoterrorist activities and concealment of same." The communique ended in a patriotic tone with the following watchword in quotation marks: "No more drug traffickers, hired killers, or terrorists in Antioquia."

The best known of the arrested individuals is Guido Parra, who had become a TV celebrity as an intermediary during the two so-called narcodialogues. But the name Londono White was not unknown to the public either, as Santiago Londono, Diego's brother, had been chosen, along with J. Mario Aristizabal, as the representative of German Montoya's family in the negotiations that led to the release of the son of the secretary general of the presidency early this year.

The third person, Bertha de Serna, was an Envigado councilwoman whose small-talk conversation with Pablo Escobar in January of this year got recorded. In this conversation Mrs Serna made a remark that became the minibombshell of the week. She said that Senator William Jaramillo, one of the "hard-liners" in the battle against drug trafficking in the country, had sent a peace message to Escobar, to which the latter replied that if Jaramillo supported Jorge Meza, today a representative in the House, in his bid for mayor of Medellin, "the problem with him" would be "settled."

William Jaramillo was angered and denied knowing a Dona Bertha. He indicated that this was an episode in which persons claimed to be his intermediaries without him having anything to do with it. Since the tape transcript was fragmentary and included just part of a lengthier conversation between Pablo Escobar and Jorge Meza, Jaramillo asked that the entire conversation be made public so that remarks could not be taken out of context. Various mass media did so on Friday evening, and the complete version implicated not just Jaramillo but also Bernardo Guerra and Alvaro Uribe Velez, the two other Liberal Party leaders in Antioquia (see box).

The general sense of the conversation was that Jorge Meza wanted to run for mayor of Medellin and was discussing with Escobar a way to secure the support of the three Liberal leaders. They took Guerra's support for granted; they regarded Jaramillo's backing as possible in exchange for a cease-fire, and Uribe could be worked on through an intermediary whom they called "El Gordo" [fatty].

At the same time that all of these news items appeared, EL ESPECTADOR revealed in a front-page story that former President Alfonso Lopez Michelsen was allegedly tape-recorded in phone conversations with Guido Parra in which he tells Pablo Escobar to look after himself. The source of the recording, according to the newspaper, was the security agencies.

The general feeling was that Guido Parra was working for Pablo Escobar. And it was a persistent rumor that Diego Londono was in touch with him. But it was a real bombshell for the three Liberal leaders in the department and a former president of the Republic to be in the same kettle of fish.

On top of the rectifications by the Antioquia politicians came a letter from Lopez Michelsen to the Attorney General's Office calling for an investigation and indicating that he had not had any contact with Guido Parra for 15 years, having met him in the judicial office of the Presidential Palace during Carlos Lleras' administration.

The question that everyone was asking himself was: If Lopez and Parra did not know they were being taped, if the taped conversation among Pablo Escobar, Jorge Meza, and Dona Bertha took place in January, if the rumors about Londono had been going around for 3 years, and if Guido Parra's activities were public knowledge, then why were so many things happening right now and at the same time?

All indications seem to be that the catalyst was the statements that former President Lopez made to Yamid Amat during a TV interview. In them Lopez questioned the effectiveness of the security agencies in the battle against drug trafficking. What apparently chafed the most was a comparison to Winston Churchill. According to the former president, after sending several generals to fight Rommel in Africa without success, Churchill started replacing them one after another until he came to Montgomery, who won the war. These remarks, plus the dissatisfaction of the military over the confused episode of "The Extraditables"' surrender, explained to many why one or another general decided to make a radical move and tighten the screws over the past few days. Besides the names associated with the negotiations for the release of German Montoya's son, all of the political chiefs of Antioquia had been brought into this by indirect association. But what are the facts behind all of these disclosures? With regard to the Liberal Party chiefs in Antioquia, there is not much substance. The fact that Jorge Meza was interested in the Medellin mayor's office and that Pablo Escobar was interested in backing him has nothing to do with the fact that the cooperation of political chiefs is needed to elect a mayor. Anyone who ever dreamed of becoming Medellin's mayor must have had similar conversations in which there was speculation about how to secure the support of Guerra, Uribe, and Jaramillo. The basic fact is that none of the three chiefs mentioned in the conversation supported Meza for mayor of Medellin and that Guerra, who was expected to nominate him, never did. Nevertheless, Guerra is the one who has come out of this whole episode looking the worst, because Jorge Meza was elected to the House and Bertha de Serna to the Envigado Council on his slates. In this regard the Liberal senator asserted that politics is one thing and private life another and that he has thousands of supporters whose private activities he is unaware of.

In any case, however, while Bernardo Guerra, William Jaramillo, and Alvaro Uribe were having gossip problems, Guido Parra, Diego Londono, and Bertha de Serna were in more serious trouble. They are at the Fourth Brigade.

What do we know so far about the activities of these individuals? About Bertha de Serna we know only that her voice is on the tape and that she is an Envigado councilwoman. As for Parra, we know that he is an attorney who worked with Presidents Valencia and Lleras Restrepo, was involved in politics with Bernardo Guerra, and wound up the country's number one standard-bearer of the narcodialogues. He has played this role publicly as an attorney. Thousands of Colombians, particularly in Antioquia, starting with the mayor of Medellin, Juan Gomez Martinez, believe that some way of solving the drug-trafficking problem other than a war to the death ought to be looked into. Parra has committed himself to this process. During the most recent failed negotiations he was Escobar's representative and the spokesman for the representatives of German Montoya, J. Maria Aristizabal, and Santiago Londono.

Diego Londono, the former manager of the Medellin subway, is one of the most controversial figures in Antioquia society. The son of a venerable Medellin family, he sold property to drug traffickers as a real-estate broker at a time when everyone wanted to sell everything to them and when drug trafficking was associated more with nouveau riche habits than with bloodshed. Dozens of people from Antioquia's ruling class had commercial ties with the Ochoas and Escobar back then, when things began to get complicated. Escobar and Londono remained in contact, which has been the source of the entire problem. Some of their conversations have been bugged, and the previous commander of the Fourth Brigade, General Ruiz Barrera, talked about them publicly. These episodes have given him a bad image and have caused his family a few headaches. Diego Londono vehemently defends his position, arguing that in his opinion it could be very dangerous to close all the doors on a cornered beast. It is precisely to keep these doors open that Diego Londono has been sought as a contact by dozens of people who have had some problem with

Escobar. The open doors have been used more by the "good" guys than by the "bad" guys, and Londono has served as a mediator in several such situations.

Parra's and Londono's activities are obviously very controversial, having been interpreted as everything from patriotic to constituting concealment, depending on the angle from which they are viewed. As far as we know, most of their contacts have been telephone conversations, which according to a strict reading of the Antiterrorist Statute could constitute a violation. The provisions under which they wound up at the brigade are Articles 3 and 4 of the statute, with the following apparently being the pertinent section: "Whoever knows of the presence of terrorists and fails to opportunely inform the competent authority shall be liable to a 3- to 6-year prison term." Strictly speaking, the aforementioned contacts could fall under the statute. But the following question then arises: If the statute has been in force for 2 years, why weren't they arrested long ago, or is it that new and serious developments of which the public is unaware were considered grounds for their recent arrest?

While the entire matter is being cleared up, last week's incidents, with tape recordings, rectifications, and jailings, have given the impression that some military sectors decided to tread more heavily with their boots. In other words, all indications seemed to be that the war was going to intensify. And if there were any doubts about this, they vanished with the car-bombings in Bogota and Cali on Saturday evening.

[Box, pp 28-29] Tape-recording the Scandal

SEMANA has transcribed the conversation among Pablo Escobar, Representative Jorge Meza, and Councilwoman Bertha Ines Mejia de Serna, which was made public last week and has generated a major controversy

[Unidentified voice] Uh, sir....

[Pablo Escobar] Go on, I hear you.

[Unidentified voice] The, uh, gentleman who was at the grubby guy's estate is going to talk to you. Do you remember him? Your important friend, your very good friend.

[Pablo Escobar] Affirmative. Put him on; I'll recognize his voice.

[Jorge Meza] Hello!

[Pablo Escobar] Go on; I hear you.

[Jorge Meza] Hello!

[Pablo Escobar] Monito, you handle the radio, you handle the radio. Let him talk, and when he finishes, you switch it off. Go ahead, I hear you.

[Jorge Meza] How are you?

[Pablo Escobar] Fine, fortunately. How are you doing? What have you been up to?

[Jorge Meza] Happy new year. We really hope you can fix all your problems. We'd be delighted. I have a message for you. We're waiting for Dr Guerra to arrive. Uh. You know what it's about, because maybe Monito's explained it to you, hasn't he? But we really hope that you can fix all of your...because we feel bad about that and we want everything to be resolved in your favor.

[Pablo Escobar] Well, I really appreciate what you're saying, and I wish you a happy new year too. I'm really happy to hear your voice. I've heard say that you're going to be the one who's going to be in charge of a few bigger towns over there. That's a good idea, and I'm willing to help you out with all the strings I can pull, if that happens. Over.

[Jorge Meza] We're looking to do that, but it's hard, but we're trying every way we can to do it. So, help from you people would be very important to me. I've always been able to rely on it, so wherever I can be of service to you, you can always count on me, on my loyalty and my friendship.

[Pablo Escobar] Well, I've always counted on you, because you've been just great with all of us. Uh, as I was saying, uh, who are you having the toughest time with? Where's the problem worst?

[Jorge Meza] I can't hear you.

[Pablo Escobar] With what group are you having the most trouble with your candidacy? Which group is the biggest problem? Which sector?

[Jorge Meza] Guerra would go along. Guerra would go along, and we're trying to get William's group through my cousin. You know who he is. I don't know how Alvaro Uribe would feel, so having those two who are in the way would make things easier.

[Pablo Escobar] I've got a very good idea, I've got a very good idea. Can you hear me?

[Jorge Meza] I hear you.

[Pablo Escobar] William sent me a message with Dona Bertha. William sent me a message with Dona Bertha, telling me please not to react against him, because of such and such. You know that he's been real hard on us. You know that he's been one of the, one of the main causes of this problem. But if he's willing, if he's willing to work with you, to work with you, uh...I'm willing to, to, to stop any action against him. So I think that Dona Bertha could play a very important role. Can you hear me?

[Jorge Meza] Yes, I'll talk with her tomorrow. In any case, I've always been able to rely on your [plural] support. Wherever I am, for better or for worse, I'll always be by your [plural] side. I'm not afraid of any

reprisals, and I'm in this with friendship and with respect and with the loyalty of a friend.

[Pablo Escobar] I really appreciate that, but let's work on this thing, let's work on this thing, uh...William sent me a message through Dona Bertha, so let's have Dona Bertha go and talk with him and tell him that I'm willing and I'll stand behind everything if he pledges to support your, to support you, and that you're straight in your commitments to all of them. As for Alvaro, as for Alvaro, I'll talk with my other fat friend, you know who he is; he pays a lot of attention to him. Work on this Dona Bertha business, please, and let me know. And I'll work on Alvaro for you.

[Jorge Meza] I'll get to work on it tomorrow, and then I'll call you through Mono, OK? But I'll get in touch with you, and I think that for the time being Guerra's message is very important for what we want to resolve in part. I'll be waiting all day here with Mono, waiting to give you the report as soon as Guerra gets here from Bogota.

[Pablo Escobar] Right, right. I can tell you that they sent me a message, a message, some very nice messages. There is a lot of willingness to dialogue. Things are on the right track. So I think that things are going well, and I'd be delighted, delighted if you were the candidate. Good Lord! I mean, it's as if it were us.

[Jorge Meza] I appreciate that deeply. I hope, I know that I've always been able to count on you people, especially on you. I've been eternally grateful, and you know that I don't let people down, I don't bend, I'm honest; my name's Jorge Meza, and you know....

[Pablo Escobar] I know, I know, and you work for the people, which is the most important thing. You know that this is why we identify [with you], because you always work for the good of the people, and the people are what we need. So work on Dona Bertha. Go get her right now and work on it, because we can get on with it right away.

[Jorge Meza] Well, a thousand thanks. Mono's going to tell you later on about the message they bring from Bogota.

[Pablo Escobar] OK sir, OK sir. I wish you luck and thanks a lot.

[Jorge Meza] All the best.

[Pablo Escobar] Go ahead. I hear you. Go on.

Unidentified voice: I've got Dona Bertha here; she wants to say hello to you. And you can give her your little message. Just a second....

[Bertha] What's up, guy? How are things? How are you?

[Pablo Escobar] How are you? What've you been up to? How nice to speak to you. I want to take this opportunity to wish you a happy new year.

[Bertha] I wish you one too. We really miss you. We want you to take good care of yourself, you hear?

[Pablo Escobar] Right, right. Look, I want to ask you something. You told me, uh, you sent me a little message from William, William Jaramillo, didn't you?

[Bertha] I'll see about taking care of that for you.

[Pablo Escobar] But is it true that William Jaramillo sent me a message through you?

[Bertha] Yes, of course, through another intermediary.

[Pablo Escobar] Fine. Tell him that if he supports Jorge in the Medellin matter, the problem with him is settled.

[Bertha] We have to talk about all those things, but afterwards.

[Pablo Escobar] Fine. We'll talk it over. Don't worry.

[Bertha] Good-bye.

Ecuador

Costa Rica To Exchange Agricultural Technology

PA2905033990 Quito EL COMERCIO in Spanish 16 May 90 p 1

[Text] Ecuador and Costa Rica will work together in agricultural matters to upgrade their levels of production. Ecuadoran Agriculture and Livestock Minister Mario Jalil has commented on this after his return from Costa Rica, where he represented President Rodrigo Borja at the Costa Rican presidential inauguration ceremony. He explained that the country's rice production is normal, and 15,000 tons of rice are arriving from Colombia at the National Enterprise for Warehousing and Marketing, to build up the strategic reserves. He added that 10,000 tons of rice are brought in by the Armed Forces and 5,000 by a private company.

The minister said he had met with his Costa Rican counterpart, Juan Rafael Lizano, and they agreed on a number of actions that will favor both countries, especially regarding transferring technology and experiences. Ecuador wants to reorganize the coffee system, and will take advantage of Costa Rica's progress in this field. In addition, Costa Rica will help Ecuador in banana cultivation, since that country produces an average of 2,700 cases per hectare, whereas Ecuador produces 1,200 cases. Costa Rica has more humid conditions and does not allow artifical irrigation for that fruit, Jalil noted.

He added that we must also take advantage of that Central American country's experience in rice production since ours is low. Better results could be achieved based on a reorganization of cultivation systems that use effective techonology. Moreover, Costa Rica is interested in receiving technical advise and exchanging experts in the fishing sector, since we have a better system, especially with regard to shrimp production.

There will also be an exchange of information on the cultivation of flowers, the minister noted.

Asylumn Granted to Former Panamanian Official

PA3105042590 Quito Radio Quito in Spanish 2300 GMT 30 May 90

[Text] The Foreign Ministry has reported that after an exhaustive analysis of the situation of Mr. Rodolfo Chiari, who was government minister under former Panamanian President Manuel Solis Palma and who has taken refuge in the Ecuadoran Embassy in Panama, it has decided to grant him diplomatic asylum.

The Foreign Ministry indicated that in accordance with the provisions of the international agreement on diplomatic asylum, which both countries have signed, it is expected that Panama will grant a safe-conduct for Mr. Chiari.

Chiari, who took refuge at the embassy on 30 March, is accused of human rights violations.

Ambassador Pio Osvaldo Cueva has been instructed to notify Panamanian authorities of the Ecuadoran decision to grant diplomatic asylum to Chiari.

* Survey Gauges Voter Opinion for June Elections

90SM0087A Quito HOY in Spanish 7 May 90 pp 1A, 6A

[Text] According to a poll taken in Quito and Guayaquil by the Studies and Data Center, Cedatos, the absence of programs and lack of confidence in politicians are the cause of the indecisiveness and suspense that are evident concerning the elections in June.

Nevertheless, Polibio Cordova, director of Cedatos, commenting on the analysis made of the poll results, said that it was possible that the indecisiveness would decline as the election campaign proceeds.

He added that, furthermore, the population is discovering the lack of programs and projects proposed by the candidates, and the campaign has been reduced to a debate among those running for the various offices in the Congress, municipal councils, and provincial councils.

Whereas 62 percent of those queried by Cedatos in Quito and Guayaquil last week answered correctly that elections would be held on 17 June, 38 percent could not specify what their purpose was.

According to the Cedatos director, Polibio Cordova, the poll results reflect what is happening at present in Ecuador's two most heavily populated cities.

The poll included topics on affiliations, the extent of the public's familiarity with political parties, and their opinion of the latter, as well as women's participation in politics.

Of those polled, 72 percent responded that they were not affiliated with any political party and did not intend to be, while 17 percent were affiliated, and the remaining 11 percent were considering becoming affiliated in the future, at best.

From the sum of the first and third figures, one could conclude that 83 percent of the population has no affiliation.

Nevertheless, the figures might not coincide with the actual affiliations, because that 11 percent might, in fact, be affiliated with a party and not say so for various reasons.

So it could be claimed that 28 percent are affiliated with a party and, if there are 5 million voters, it might be said, at best, that 1.5 million people are affiliated or identified with a party. This does not agree with the claims made by the political organizations regarding the number of their members.

Those who replied that they were not affiliated with any party said that they were not because they had no interest in politics. Their reason was that politicians have left behind bad experiences in the past, owing to their failure to keep promises, and because dogma, divisiveness, lack of responsibility, and opportunism prevail in politics.

Those polled became greatly confused when asked about the number of political parties. A total of 75 percent claimed that there were "about 15", 15 percent said more than 15, and 10 percent thought that there were fewer than 10 parties.

When asked to identify the parties, those polled gave the following responses, in descending order: ID [Democratic Left], DP [Popular Democracy Party], PSC [Social Christian Party], MPD [Popular Democratic Movement], CFP [Concentration of Popular Forces], PC [Conservative Party], PRE [Ecuadoran Roldosist Party], and FADI [Broad Front of the Left].

They were asked: which is the best organized party? Their responses were: ID, DP, PSE [Socialist Party of Ecuador], PRE, and the leftist parties (MPD, FADI, LN [National Liberation]).

In response to the question as to which are the parties with the greatest options in the coming elections, these were mentioned in the following order: DP, PSC, ID, "left of center parties," "parties of the left," PRE, and PC.

Regarding the political parties, they expressed the view that they are disorganized groups without an ideological base, lacking a political stance, and with no enduring principles, which are concerned about the people only at election time.

When asked about politicians, they claimed that they lack maturity and responsibility. "There is no political leadership, and there is confusion among parties, leaders, and slates."

As for changes of affiliation (or of T-shirt), 88 percent rejected them, 8 percent replied that they could occur under "certain circumstances," and 4 percent had no opinion.

The rejection of the change of T-shirt was explained as follows: "Politics is not a game; the public is not so stupid as to be unable to identify those who change parties, showing opportunism, insincerity, and lack of respect for the country."

Regarding women's participation in politics, 99 percent had a favorable view, "because they have the same rights as men, and because they could prove more sincere and more loyal to the party and the people."

The Cedatos director notes that the rates of acceptance of leaders or parties are varied. He explained that, in some cases, there is greater acceptance of the leader than of the party. Identification with individuals rather than parties is conspicuous, and it is there that the confusion arises when T-shirt changes occur.

For example, there is greater acceptance of Mahuad than of DP, of Sixto Duran Ballen than of PSC, of Fabian Alarcon than of FRA [Alfarist Radical Front], and of Nebot than of PSC, in Guayas. However, there is more acceptance of PSC than of Leon Febres Cordero, and of CFP than of (Averroes) Bucaram. President Borja is more accepted than ID in Pichincha, but ID is more accepted than Borja in Guayas.

Paraguay

OAS Delegation Includes Opposition Leaders

PY3105224990 Asuncion EL DIARIO in Spanish 31 May 90 p 3

[Text] An executive branch decree has been issued on the subject of the upcoming OAS Assembly in Asuncion between 4 and 8 June 1990. The decree states that, bearing in mind that it is advantageous "for national interests to participate in this event," the president of the Republic has named the members of the Paraguayan delegation.

The delegation, which will be headed by Foreign Minister Dr. Luis Maria Argana, will include Dr. Marcos Martinez Mendieta, permanent Paraguayan representative to the OAS; Dr. Domingo Laino, a senator and president of the Authentic Radical Liberal Party [PLRA]; Febrerista Revolutionary Party President Dr. Euclides Acevedo; Dr. Antonio Salum Flecha, chairman of the Chamber of Deputies Foreign Relations Committee; and PLRA Deputy Dr. Felix Fernandez Estigarribia.

The delegation also includes Dr. Washington Ashwell, executive secretary of the Technical Planning Secretariat of the Presidency of the Republic; Dr. Hugo Estigarribia Elizeche, Interior Ministry undersecretary of state; and Dr. Jose Maria Fernandez, counselor to the Permanent Paraguayan Mission to the OAS.

Decree 5889, which bears the signature of President Andres Rodriguez, also appoints Dr. Marcial Bobadilla, first secretary of the Permanent Paraguayan Mission to the OAS, as secretary to the national delegation.

Something Unusual and Unprecedented

The decree issued by the executive branch and made public yesterday is a novelty in that three highly representative and internationally prestigious opposition leaders have been included as members of the national delegation that will participate in the OAS Assembly. Especially during the past regime, a vertical foreign policy prevented well-prepared and capable leaders from participating in this type of event as our nation's representatives.

Argentine Defense Minister Arrives for Visit

PY0106020890 Asuncion ULTIMA HORA in Spanish 31 May 90 p 13

[Excerpts] Argentine Defense Minister Humberto Antonio Romero arrived in the country this morning to discuss topics of bilateral interest within the framework of the Menem government's international policy. He was met at Silvio Pettirossi International Airport by his Paraguayan counterpart, General Angel Juan Souto Hernandez, and General Eumelio Bernal, chief of the Armed Forces Joint Staff.

"Considering our location in the River Plate basin and the responsibilities of both countries, I believe that this type of contact, joint work, and cooperation will be beneficial to our respective people in a way that can set an example for other countries in the Americas," said Minister Romero, who arrived in the country with Vice Admiral Jose Gregorio Osses, chief of the Argentine Armed Forces Joint Staff, and other Argentine Government officials.

Minister Romero noted that in the specific area of national defense, Argentina is interested in various topics that can serve as a basis for specific bilateral projects. [passage omitted]

The Argentine defense minister was received by President General Andres Rodriguez this morning. They discussed matters related to the purpose of the Argentine defense minister's visit.

Dam Workers End Strike, To Sign Agreement

PY3105232090 Asuncion ABC COLOR in Spanish 31 May 90 p 3

[Excerpt] The long strike by the Yacyreta dam workers was lifted last night after they accepted the proposals submitted by the contracting enterprises in response to the many demands from the workers.

The initial decision to lift the strike was made by the workers at a meeting held at the Metropolitan Seminary facilities in Asuncion. This decision was ratified in an assembly last night by another group of striking workers in Ayolas. Representatives of the workers and the contracting companies will meet this morning at 1100 at the Hotel del Paraguay in Asuncion to sign the agreement and to formally declare the conflict over. [passage omitted]

Peru

Preelection State of Emergency Decreed in Lima

PA0106042190 Hamburg DPA in Spanish 0341 GMT 31 May 90

[Text] Lima, 31 May (DPA)—The Peruvian Government today decreed a state of emergency in Lima and the port of Callao to prevent terrorist action before the second round of the presidential elections to be held on 10 June.

Unidentified individuals today detonated an explosive device near the Presidential Palace, badly injuring a government employee.

The Maoist-oriented group Shining Path has threatened to perpetrate terrorist actions during the elections, which should decide a winner between candidates Mario Vargas Llosa and Alberto Fujimori.

Antidrug Chief Praises Accord With U.S.

PY2505141690 Lima EL COMERCIO in Spanish 21 May 90 p A-10

[Excerpt] On 20 May Peruvian National Police General Nestor Tafur Lopez, chief of the Dintid [Illicit Drug Traffic Investigative Division], described the recent agreement signed by the Peruvian and U.S. Governments on the control of chemicals used in drug processing as a most important support for the Antinarcotics Police forces in controlling these substances.

Tafur Lopez' statement is the first reaction to this agreement, which was signed in Lima. It is the fourth one that has been signed between Peru and the United States as a result of the commitments made in Cartagena, Colombia in mid-February.

Tafur Lopez believes that the agreement will allow the police to improve their efforts in the antidrug struggle. He said that the Dintid is fulfilling an important role in control and surveillance. He added that these actions, however, should be reinforced so that the objectives continue to be fulfilled.

Tafur Lopez said that a law promulgated in 1982 authorized the Dintid to control the trade and use of five chemicals (among them sulfuric acid and sodium carbonate, which are imported and also produced in the country).

In January 1990 another 15 chemicals, among them sodium hydroxide, potassium carbonate, ammonia, and alcohol, were also put under control.

Control over chemicals that are legally or illegally traded and used in the country (regulated by Law 220995) began in 1982. This year the Dintid, through its Raw Material Investigation Department, began to counteract the organized gangs that take advantage of the illegal trafficking of chemicals to process drugs.

The important police work conducted by the former command headed by Peruvian National Police General Felix Garcia Nunez should be recalled. This task is now performed by current Antinarcotic Department Chief General Tafur Lopez.

The following chemicals were seized in 1989: 25,805 kg of sulfuric acid, 7,034 kg of sodium carbonate, 269 kg of hydrochloric acid, and 1,600 kg of ammonia.

The following chemicals were confiscated in the first three months of 1990: 11,835 kg of sodium carbonate, 26 kg of potassium permanganate, six kg of sulfuric acid, and 137 kg of ethylic ether. [passage omitted]

Lack of Funds Halts 'Coca Substitution Program'

PY2405225490 Lima EXPRESO in Spanish 23 May 90 p 15

[Excerpts] National Antidrug Police Director General Juan Zarata Gambini yesterday revealed that the coca substitution program in the Alto Huallaga zone has been paralyzed for the past year due to lack of funds to finance alternate crops.

Zarate recalled that there are 200,000 hectares of coca plantations and that only 10,000 are needed to cover the legal demand of this product. He went on to say that "we have 190,000 hectares of coca plantations that must be gradually eradicated through a preestablished plan."

The police director noted the need to do away with drug trafficking and, especially, with drug production in Alto Huallaga due to the irreparable damage it is causing to the environment. [passage omitted]

Zarata Gambini revealed that approximately 100,000 peasants depend directly upon coca plantations and another 400,000 families are indirectly linked to coca in its various development stages. [passage omitted]

Crops Being Replaced With Coca

PY2505181290 Lima EL COMERCIO in Spanish 17 May 90 p A1

[Text] Spokesmen for union organizations and independent groups from Lima reported on 16 May that some 40 percent of coffee producers have decided to replace their coffee plantations with coca leaf, especially in the central jungle area, due to the critical situation in the coffee sector.

Juan Iglesias, president of the National Federation of Peruvian Coffee Agrarian Cooperatives (Fencocafe), has said that the coffee-producing sector is going through the most critical situation in its history because of low market prices for the product and because the government "has failed to pay for the 4,000 tons of Peruvian coffee that were sold to the Soviet Union through an agreement signed by the two countries."

Iglesias asked the government to disburse approximately $3 million to prevent any further increases in coca-leaf production.

Geronimo Porras, president of the Regional Federation of Central Jungle Coffee Producers, has said that the government is forcing us to continue to plant coca. The coffee producer has no other choice in view of the high cost of living, he says.

Porras explained that the first coffee crop is harvested after three years and then once every 365 days, while coca crops are harvested after eight months and then every three months.

Iglesias said that coca-leaf growing is 20 times more profitable than coffee production, which makes it a very attractive situation.

Coffee crops are being replaced by coca crops especially in the valley of the Apurimac River (Ayacucho), Quillabamba (Cuzco), Naranjillo (Tingo Maria), and Lamas (San Martin).

'Hundreds' of Terrorists Reportedly Surrendering

PY0105020090 Lima EXPRESO in Spanish
24 May 90 pp 22, 23

[Text] Ayacucho, 23 May—Hundreds of Shining Path terrorists are laying down the arms and joining the Peasant Defense Patrols to cooperate in the Armed Forces' all-out war against subversion in Ayacucho. Local authorities believe that this massive withdrawal of Shining Path terrorists indicates that the days of the sinister organization are numbered and that all that is left to do is to capture some leaders, such as comrades "Percy," "Felipe," and "Chuto."

A reliable source said that peace will be restored in Ayacucho if these terrorist leaders are arrested. Residents of some townships, however, expect the Shining Path terrorists to take "desperate measures" to maintain their presence in the area.

Civil defense committees have strengthened their defensive efforts through the return of the "masses" that were recruited by the Shining Path terrorist organization. Successful antiterrorist actions have been conducted over the past two months due to the fact that former Shining Path terrorists are very familiar with the tactics and techniques used by their main leaders.

An expert on this strange phenomenon said that the Shining Path dissidents have but one choice: to join or lead Peasant Defense Patrols, because they know who the military chiefs of the subversives are and how many of them are in each sector. They also know how to find, neutralize, and arrest them.

According to this expert, former Shining Path terrorists provided useful information that four days ago led to the arrest of "Comrade Raul," who has been charged with several murders and attacks.

The authorities also arrested other top Shining Path military leaders in Ayacucho. The people greeted this news with satisfaction and enthusiasm.

Our sources report that the top Shining Path leaders in Ayacucho decided to surrender because of fierce harassment from the Peasant Defense Patrols and the combined forces of the Army and the police in Ayacucho.

These individuals are providing detailed information to the intelligence services of the Armed Forces and police on the behavior of the Shining Path terrorist organization, the number of members, and the weapons used by the terrorists.

Such reports have led to the conclusion that the top Shining Path military command has been reduced to the minimum in terms of the organization. A Shining Path terrorist group is made up of a zone command unit headed by intellectuals, a regional command in charge of planning the terrorist attacks, a local command familiar with the objectives, and a military command which carries out the attacks. The organization also includes combatants and the people who are forced to join the group and who act as collaborators or informers.

The expert says that if these people and the combatants (most of whom are related to each other) return in groups to their communities, as is already happening, the Shining Path terrorist organization will be weakened, at least in Ayacucho Department.

With dozens of Shining Path terrorists having been annihilated and almost all the members of the military command arrested, who will the Shining Path organization count on to continue spreading violence and chaos?

Ayacucho's residents have reported that the situation has changed drastically in comparison to the atmosphere of violence and chaos that prevailed one or two years ago. The fearful masses that once were recruited by the Shining Path terrorist organization are joining the Peasant Defense Patrols to take part in the civil defense organization and to destroy the subversive organization that has been operating for ten years. Those same people have mustered their courage. Each one carries a wooden weapon. They are also in charge of arresting the terrorists because they know the places where they go to hide.

These events took place some days after the Shining Path terrorist organization distributed leaflets in which it announced its temporary withdrawal from the armed struggle but its desire to continue the ideological struggle "to analyze and assess all our significant actions over this

decade and to return with new strength and ideas, which will allow a strategic balance under better conditions."

MRTA Blamed For Seismic Laboratory Attack

PY3105134290 Lima Television Peruana in Spanish 1100 GMT 31 May 90

[Excerpt] Right after the earthquake that shocked the Peruvian jungle zone a subversive command destroyed parts of the Japanese Center for Seismic and Disaster Research of the National Engineering University. [name as received] Damages are extensive.

This morning a terrorist command entered the National Engineering University campus. The presumed MRTA [Tupac Amaru Revolutionary Movement] subversives placed several bombs inside the building. Three people were injured as a consequence of the explosions. The attack on the Japanese Center for Seismic and Disaster Research damaged several facilities including the administration, structural engineering, and geotechnical departments. [passage omitted]

Coalition Dissolved, Socialist Party Created

PY3105183790 Lima EXPRESO in Spanish 25 May 90 p 8

[Text] Senator Enrique Bernales yesterday announced the dissolution of the Socialist Left (IS) electoral coalition and the creation of a single Socialist Party. The move is considered a very important step toward the union of all leftist organizations that do not identify themselves with Marxism-Leninism.

The decision was adopted after a careful analysis of the 8 April presidential election defeat,in which the IS obtained only 4 percent. The decision was not received well by former IS presidential candidate Alfonso Barrantes and Manuel Danmert, a leader of the Revolutionary Communist Party (PCR).

Bernales held a news conference in one of the Congress rooms. The senator said that former Lima Mayor Alfonso Barrantes had been invited to attend but that Barrantes had answered that he "will continue along his political path until they meet again in the future."

Asked about the new Socialist Party, Bernales said they "seek to create a national structure that will occupy the socialist space, one that will accept new political strategies."

15,000 Residents Affected by Earthquake Damage

PY3105164890 Buenos Aires DYN in Spanish 1242 GMT 31 May 90

[Text] Lima, 31 May (AFP)—According to information disclosed by Civil Defense authorities, some 15,000 people in the Peruvian Amazon region were affected by the tremor that rocked northern Peru on the night of 29 May.

According to various radio contacts it is estimated that 100 people were killed. So far the town of Soritor is believed to the be worst affected, with 27 identified victims and more than 30 missing people.

Communications in Rodriguez de Mendoza Province, with more than 4,000 inhabitants, were still cut on 30 May, and authorities said they feared "greater disasters" in several of its towns, especially Achamar and Limatambo.

According to radio contacts Rioja city, some 1,100 km northeast of Lima, was left in ruins. It is believed that most of the houses are destroyed and that the number of victims there totals 25. The situation is similar in Moyobamba city, 1,000 km northeast of Lima, where some 15 people were killed and 300 hurt.

According to the Peruvian Geophysical Institute, the epicenter of the tremor was located 125 km northeast of Moyobamba, at a 85 km depth, with an intensity of 5.8 degrees on the Richter scale.

An aid campaign has been organized in Lima to help those affected by the tremor. However, a Civil Defense military aircraft only left at 1500 (2000 GMT) on 30 May carrying medicine and foodstuffs. Through radio messages, Rioja and Moyobamba have insistently requested medicines, foodstuffs, and tents for the victims of the tremor.

* Composition of Fujimori's Team Detailed

90SM0110A Lima CARETAS in Spanish 7 May 90 pp 14-15

[Text] When the time came to set up the task forces for the government plan of Cambio [Change] 90, the chairmanships went to figures closely connected with Fujimori.

The education task force is chaired by Guillermo Yoshikawa Torres, a PhD in education and the current principal of the International School in Arequipa, where he resides. He is a Methodist pastor and during the campaign published an open letter to Protestants asking them to support Fujimori.

Cesar Pimentel Flores, a young economist and agricultural engineer who graduated from the National Agrarian University, chairs the agriculture task force, which has been meeting in his home in La Molina. He was a candidate for deputy from Lima.

Chairing the fisheries task force is Victor Paredes (a fishing engineer with a postgraduate degree from Japan), who headed the slate of deputies in Lima and is one of the main leaders of Cambio 90.

The defense and pacification task force has been entrusted to Peruvian Army Colonel Roberto Moriel Gamero, retired, who ran for the Senate. In putting together a diagnosis and proposals, he has called on

retired Armed Forces and police officers and specialists in the area of pacification and human rights.

Maximo San Roman (an industrialist in the bakery industry), Julian Bustamante Cabello (an industrialist who owns the Surge consortium, which manufactures and exports stoves), and Edwin San Roman (Maximo's brother and an industrial engineer by training), are on the industry task force.

Oscar Cruzado Huby, the president of the Association of Merchants of Callao and a former union leader of Enatru-Peru [National Urban Transport Enterprise], is organizing the transportation task force. He is a Protestant (Baptist) and an almost certain Cambio 90 deputy from Callao. Although the housing and healthcare task forces are already at work, their chairmen have not yet been named.

The party machine has its own names. Carlos Garcia (an attorney who graduated from San Marcos), the second vice president of the Cambio 90 slate, is in charge of the movement's finances and economy and chairs the task force that is supposed to draft the social-compensation program, which will serve as the safety net for the austerity plan that Fujimori will inevitably implement to straighten out the economy.

The political task force, which is in charge of identifying clear-cut political objectives for the movement, is chaired by Victor Arroyo, a San Marcos sociologist and former director of operations of the Evangelical magazine WORLD VISION. He is an almost certain senator.

There are two Protestants in Fujimori's personal circle: Pedro Vilchez, the general coordinator of the nationwide campaign, and Pablo Correa, the campaign's organizational secretary, who is also a partner in the production company "A Full TV," where Fujimori records his publicity spots and his TV messages.

The economic team is the nerve center of the Fuji-plan. It is headed by Santiago Roca, a leading professor in Esan [School of Business Administration], and includes Adolfo Figueroa Arevalo, a Catholic University economist with postgraduate degrees from the United States, a specialist in agrarian economics, and the author of several works.

Also on the team are Fernando Villaran, an economist who specializes in minibusinesses and small industry; Oscar Ugarteche, a former adviser to the foreign-debt negotiating commissions of Nicaragua and Bolivia; and Esteban Hnylicza, an economist who specializes in stabilization programs. He has been a consultant to the World Bank in this field in Ethiopia and Bangladesh.

Other members of this task force are Martha Rodriguez, a full professor at the University of the Pacific and a specialist in stabilization programs; Guillermo Runciman, a former director of public credit in the Economy Ministry; Luisa Galarza (in regionalization), and Francisco Loayza (pacification and strategy). The latter is a San Marcos sociologist, has served as an adviser to several companies over the past decade, and has been involved in the Institute of Geopolitical Studies, along with General Edgardo Mercado Jarrin.

* Change 90 Economist on Government Plan

90SM0109A Lima EL NACIONAL in Spanish 7, 8 May 90

[Interview with Santiago Roca, Cambio [Change] 90 government plan coordinator, by Hernan Flores; place and date not given]

[7 May pp 4-5]

[Text] Economist Santiago Roca, Cambio 90 government plan coordinator, along with Oscar Ugarteche, Adolfo Figueroa, Martha Rodriguez, Armando Zolezzi, Guillermo Runciman, Esteban Halynicza, and Fernando Villaran, will reportedly comprise Alberto Fujimori Fujimori's economics team.

As announced in yesterday's edition, Santiago Roca met with EL NACIONAL to spell out and clarify certain issues and aspects of the economic plan that will go into effect if Cambio 90 should win on the second ballot. According to Roca, the plan is ready and will be made public by Wednesday at the latest. However, we are presenting a number of the plan's central ideas as expressed in this initial installment of the interview, ideas relating to the importance of the "informal" sector, economic reorganization, and certain changes required in order to halt inflation and improve the balance of payments and fiscal spending without any social adjustment. Roca answered our questions and the Peruvian people may now know his answers.

[EL NACIONAL] What is the diagnosis of the country's economic situation made by the team you head for Cambio 90?

[Roca] Our economy is in a deep crisis. There is a very acute inflationary process, accompanied by a whole series of sectorial imbalances such as you see in the balance of payments and the fiscal area. We all know that the level of international reserves has plummeted and that the deficit in the public sector has grown. In addition, the gap between the rich and the poor has widened and poverty has spread greatly in recent months.

[EL NACIONAL] Based on your diagnosis, what will be the main lines of economic recovery to be developed by Cambio 90 if it gains power?

[Roca] The fundamental element is to stabilize prices based on an organization of the economy including a reduction in inflation and an improvement in the balance of payments by means of an increase in reserves and the direction of all efforts toward achieving a balance in the fiscal sector.

[EL NACIONAL] But what concrete measures will be taken to control and reduce inflation, keeping in mind the fact that you oppose a Fredemo [Democratic Front]-type shock treatment?

[Roca] The economic reorganization program we propose implies coherent management of a series of measures aimed at fighting inflation. One must obviously be very careful in this fight against inflation because programs that endeavor to shock the economy could cause a very sharp drop in products that would not only affect production in short-range terms, but possibilities of future growth as well. We have cases of countries that have applied the shock treatment whose growth has not yet recovered after 5 or 6 years. What I wish to point out is that the cost of reducing inflation could mean up to 7 years of stagnation for the country before it begins to grow again after that dramatic period of time.

[EL NACIONAL] And what other more precise measures will be applied to check the scourge of inflation?

[Roca] We are not being specific about what measures will be taken because what we are after is coherent management of what is called "economic imbalances" and the level prices have reached and which we must lower sufficiently to generate confidence and credibility on the part of economic agents. How can we lower them? By a realistic program.

[EL NACIONAL] How can prices be lowered: by reducing interest, raising wages, eliminating speculation, making prices more realistic?

[Roca] What we want to do is apply a program that will not cause a recession in production and not make the GNP drop even further because we are convinced that package deals have not worked in this country and that the only thing left to do is take a series of measures that will level off the economy and pull it out of its present situation. We agree that the foreign debt has to be reduced, given the fact that it is not only the rate of exchange which can help promote imports and increase exports. They can be further promoted by a better mechanism of marketing products abroad, penetrating new international markets, and taking on continuing export commitments. We shall therefore seek a set of measures aimed at increasing the level of exports. There is no need to work solely with the rate of exchange in order to promote exports because there are cases in which the rate of exchange does not do so.

[EL NACIONAL] Which sectors would benefit from this program, which I understand will be an emergency program?

[Roca] Obviously, we do not want to affect the poorest sectors of Peruvian society. This means that we must increase production and generate more income in sectors hardest hit by the crisis. The government has to play the role of promoting enterprise and production in these sectors so they may subsequently channel their production toward export. The government will support small businesses in their export effort so they may bring in foreign exchange for the country, while at the same time generating income for those sectors. In this way, we solve two problems at once: We generate dollars and income in sectors experiencing the greatest poverty and also reduce inflation, because when we increase production, there is less pressure on prices and wages.

[EL NACIONAL] And with what investments if the government is short of funds and in debt everywhere?

[Roca] There are possibilities in many small sectors of increasing production very rapidly with low investments because we have found sectors with enough elasticity in the supply to allow them to respond immediately without further investments and rely on current capacity. Peru's installed capacity is not being fully utilized. It is sizable and must be exploited at once so as to increase the level of imports and exports. Investment capacity will not be great in the beginning, but we believe that foreign investment and financing can cooperate with these sectors to some degree.

[EL NACIONAL] You have stated that the "informal" sector of our economy will be the economic agent benefiting the most because it would become dynamic. What are your reasons for such an assertion?

[Roca] Members of the economic team made studies showing that the informal sector and the small and medium-size businesses are the most innovative sectors in Peru because of their vitality and energy. Perhaps it is the poorest Peruvians' very need to survive that has led them to use their own imagination and creativity in developing technologies, inventing techniques, and adapting them so as to be able to sell on existing markets. This new economic and social class has great energy and we believe that if the government promotes the technological process in this sector, it will be a driving force for change.

[EL NACIONAL] In other words, you recognize that this dynamic sector of our economy, its very existence, is due to the fact that the official government has maintained a policy of exclusion, forcing it to create and develop its own potential without any support.

[Roca] Absolutely. That is why what we want to do with Cambio 90 is make the government cease excluding the sector and start supporting it with human resources, inasmuch as we are short of such resources and technologies. We therefore believe that if we promote a program of human and technological resources, the sector will begin to move the wheels of the economy. It will start generating poles of development that will be guided by export laws drafted in suitable, favorable terms aimed at generating dollars and partly resolve problems that have built up in the national economy.

[EL NACIONAL] May I therefore conclude that this sector is not organic or receiving any government support? What will Cambio 90 do to organize it if it wins the reins of government?

[Roca] Part of the sector is already organized into associations of small and medium-size producers and entrepreneurs. The difference between Fredemo is that Cambio 90 has its very roots in the sectors of small and medium-size mobile entrepreneurs, while Fredemo wants to speak in their behalf.

[EL NACIONAL] You say that Cambio 90 represents the sector.

[Roca] Fredemo does not have them, which is why it claims the right to speak for them. We fundamentally represent that sector in all its aspects, which, as I have said, range from traveling salesmen to entrepreneurs, shoemakers, cottage industries in the metal-machine trades and metallurgy, bakers, and so on. Obviously, part of the sector is not organized and if we succeed in doing so, which is our goal, they will reap huge benefits in terms of human, economic, and technological resources and thereby increase productivity and efficiency. We must not rule out the possibility of a gradual merger enabling them to compete better and improve their economies.

[EL NACIONAL] While respecting the market economy, right? But what would Cambio 90 do to energize the market?

[Roca] What has happened is that conditions in Peru are very different. In the rural sector, in agriculture, for example, there are practically no markets. The government has failed in these areas because it has not been able to promote their development and they have always been excluded and impoverished in the extreme. The market and government have both failed. What must be corrected immediately is that the government has to participate in the development of markets so that these areas may develop in every aspect. The government is naturally not working alone, nor is it alone in liberalizing markets because those who think so are mistaken.

[EL NACIONAL] Might you not run into the problem that with your proposal, such small and medium-size enterprises would risk being absorbed by big economic power groups?

[Roca] It all depends on how this system of production shapes up and also, how they are organized and supported in marketing at home and abroad. The government must get involved in these relations because the small enterprises have no resources to devote to these economic processes with new and innovative rules of play. In no way does this mean that the government is the "king of the market," but just the opposite, in conjunction with the productive sector, working toward the same goal so that markets will operate better. The government should create markets in the rural sector, building means of communication for better extraction of products and subsequent marketing.

[EL NACIONAL] In that economic program, what will become of the self-management sector, such as cooperatives, and what type of relationship will it have with private enterprise?

[Roca] In the case of the informal sector, for example, the financial system is a matter about which little is known. You asked me before the source of funds to finance this effort. We know that the formal financial system has never financed the informal sector because the latter has its own financing channels. We must try to develop them so the people's savings will also be used by the people. We must try to see that when savings and credit banks and cooperatives do take in the people's savings, they will in turn make those savings available to the people through small and medium-size enterprises working with a minibank serving the sector. I think this is important. There must be a very close relationship between the financial and productive sectors.

[EL NACIONAL] To which of these sectors will Cambio 90 give priority?

[Roca] The forms of productive partnership will be what they themselves choose: limited liability companies, cooperatives, self-management enterprises, or whatever they want because there will be complete freedom for economic agents enabling them to compete on an equal footing. The rules of play must be clearly defined, however.

[EL NACIONAL] In other words, the principle of free competition for free profits would be the rule of play for the new Peruvian economy you propose.

[Roca] All those who want to run the risk of promoting work in order to be able to produce are welcome. If it is the informal sector, so much the better.

[EL NACIONAL] And the social adjustment will come about with an economy in crisis that will not change overnight. Will there be such a social adjustment?

[Roca] That depends on what you mean by "social adjustment."

[8 May pp 4-5]

[Text] In this last part of the interview with economist Santiago Roca, coordinator of the Cambio 90 government plan, he has spelled out differences with Fredemo proposals, which are very marked, based on his statements. The social cost will not be borne by the poor, and businessmen will have to repatriate their dollars under well-defined rules of play. According to the interviewee, if Cambio 90 wins power, it will seek to govern with all those who agree with its proposals. Fujimori will not form a coalition government, but rather, a government of consensus.

The Esan [School of Business Administration] economist says the shock programs of Collor de Mello in Brazil and Menem in Argentina target situations very different from that of Peru and their applications are therefore not

possible in our country. This is not the time for formulas or imitations, Roca says, criticizing the shock treatment proposed by Mario Vargas Llosa. These are his final remarks:

[EL NACIONAL] What immediate and strategic measures does Cambio 90 propose for the social adjustment, or will there be no social adjustment?

[Roca] Well, first of all, we must know what you mean by "social adjustment."

[EL NACIONAL] That the Peruvian people will have to tighten their belts for a time to meet prices and wages.

[Roca] Well, that is what we do not want. We are starting from an initial situation in which there is an imbalance that is causing inflation. For example, we say that what causes inflation is the foreign imbalance because of the drain of dollars from our country. Given the same demand for dollars and a short supply, the exchange rate rises and as the exchange rate rises, business costs rise. As business costs rise, prices go up. So what happens in this hypothetical case? The country has suffered a continuous dollar drain that has generated a problem with the green bills. This problem has turned into price increases. Now then, what do the Fredemo people say? That all Peruvians, particularly the poorest among us, must adjust. We should all eat less and by eating less, import less. By importing less, we will spend less foreign exchange and consequently have a better foreign exchange balance. What has left the country is gone, but in order to achieve a balance with what we have left, let us eat less, spend less, and adjust! That is the proposal of Fredemo and also the traditional, orthodox proposal of the IMF.

[EL NACIONAL] And Cambio 90 is radically opposed to that?

[Roca] It is, because let us suppose that we take a different measure, to continue with the example of the dollar drain. If dollars have left the country or if they are brought back in by those who took them out or the opposite, they are generated by the poorest people, but they do so with production and income. In other words, there is no need to tighten our belts. Rather, there is an increase in production by the poorest people and an infinite number of enterprises that can begin to produce a series of products that could be imported, and that greater production will generate foreign exchange that will take the place of dollars taken out. Consequently, we balance the foreign sector, the demand for the supply of dollars, and we have made no adjustment and did not pay the price of reduced spending.

[EL NACIONAL] That will be the contribution of the poorest people, but what would the rich and powerful contribute?

[Roca] That contribution will have to come from the side of production and its growth. There must also be an increase in exportable production because it would improve the balance in the foreign sector. In addition, we must ask them to repatriate their capital, but in order to do so, they must be given certain clear rules of play that will give them confidence. Cambio 90 will be a government by consensus. It believes that through unified action, it will be possible to create the minimum conditions the country needs so we may all move in the same direction.

[EL NACIONAL] Will it be a coalition government?

[Roca] No. It will be a government of continuous consensus. Not a coalition government, but agreement on specific issues, yes. In many countries of the world, particularly the developed nations, there is a consensus on major national issues. The oil policy, for example, or foreign policy, which in many countries does not change, no matter what government comes to power, because they have a national consensus on such issues. We must arrive at a national consensus on many issues, on everything that we can.

[EL NACIONAL] Do you believe you can govern the country alone?

[Roca] No. We are going to govern with all those who agree with the points we have proposed, not with pacts, which are different from specific agreements on each issue.

[EL NACIONAL] With our traditional policies, would that desire of Cambio 90 not be somewhat illusory?

[Roca] Fujimori has said we are going to practice a new method of politics, and that new method of politics means reaching consensus and agreements, not disagreements.

[EL NACIONAL] You will not deny that in Peru, our native brand of politicking has managed the country by give and take. What will happen to traditional politicians still in power? Furthermore, Fredemo will have a large congressional representation. If you think there is no need to come to an agreement on certain strategic actions such as economic policies, you know it will be difficult. You are not going to have a congressional majority.

[Roca] It is a fact that we have no congressional majority, but we obviously think it will be possible to act based on the issues. I think if Fredemo loses, it will split. Then there will be a polarization in Congress, so that we shall have to proceed issue by issue. We are fully confident that we have the ability to sit down at a table and reach agreements with all groups and accomplish many things. Even in this Congress, if it can't be done, it won't.

[EL NACIONAL] We are digressing from something very important: wage indexing. Will a Cambio 90 government have wage indexing?

[Roca] We only want to maintain the level of real wages, meaning that we think the drop in real wages is of such

magnitude that it is no longer possible to overcome the crisis on the backs of the workers.

[EL NACIONAL] And how long will this be true, Mr Roca?

[Roca] We believe that wages must be maintained and increased fairly because we also have to increase production and demand, and the only way to do so is by maintaining real wages. That is a substantial difference between us and Fredemo, which is beginning to make the workers bear the burden of costs and prices. That is not the right way. By establishing certain relations.... That is why we previously spoke of a consensus with businessmen. I think it would presume wage indexing that you will guarantee the workers. Everything is relative. Some entrepreneurs have said they are going to pay their workers more, that they are even going to pay the $300 that will be the minimum wage. In other words, not all businessmen want to pay their people less. On the contrary, they are not opposed. If there are clear rules of play, they will also have profitability because we must recognize that Cambio 90 is going to reduce all activity yielding illegal profits. Consequently, they will work and produce because they now support Fredemo, but their businesslike pragmatism will tell them that if Cambio 90 is in power, they will have to work with Cambio 90 one way or another.

[EL NACIONAL] Will you repeat the Aprista [American Popular Revolutionary Alliance] experience of the "twelve apostles"?

[Roca] No, because we have said that our sector is that of the small and medium-size enterprises. The monopolist sector that concentrates a large amount of production must be made more competitive, meaning less monopolist. How is this to be done? I will tell you how: The monopolist sector must have its tariffs reduced, for example, so that it will feel more inclined to be more efficient and lower its prices or apply another rate. Legal mechanisms can be applied to open up the sector, allowing other enterprises to come in and compete. There are thousands of ways of ensuring that monopolies play their role throughout the country because they do so, but at the enterprise level, producing as much as possible. However, they can also contribute to the country if they yield their quota.

[EL NACIONAL] Concerning the policy of tax exemptions, what are the most central issues that you will handle?

[Roca] We have already said that the country does not have a policy of exemptions. When exemptions are granted, what is exempted, which supposedly belongs to the government, is pocketed by the exempt party without anything in exchange, without any negotiation or request from the government. So what happens, what now happens, is that the exempted party receives the subsidy and it goes abroad. And in the end, the country gains nothing from exemptions. We think there must be fewer exemptions.

[EL NACIONAL] What differences or similarities do you see with the economic programs of Collor de Mello and Menem in Argentina in your economic reorganization of the country? I ask this because, based on possible favorable figures on the Brazilian shock treatment, Fredemo candidate Mario Vargas Llosa is using it as a model, an example.

[Roca] Well, that reflects—you will forgive me—Dr Vargas Llosa's ignorance. Collor de Mello's shock treatment is totally different from that proposed by Fredemo. That of Collor de Mello implies a shock because it is an abrupt, sudden, violent attack, which makes it a shock. But Mello's shock is what is called a heterodox shock because the government controls part of the financial system. It restricts it somewhat by intervening and taking control of nearly 80 percent of the entire Brazilian financial system. The government steps in to exercise tight control over prices and various rates, including public rates, fares, and even exchange rates. So what happens? It is called a shock but it is heterodox because it does not allow the market to define and, in the end, determine the economy. Rather, the government intervenes and tries to control factors affecting prices. In an orthodox-type shock, which is what Mario Vargas Llosa is proposing, things are totally different. We must still reduce the overall demand. Controlling private emissions without intervening in the financial market restricts emission and then lets everything go. If you liberalize public prices, you liberalize everything, including exchange rates, but they later said no; we are going to let it go, then freeze it later. So they are using a measure of control, but they were initially going to liberalize everything and allow the generation of new levels of prices, rates, exchange rates, with everything supposedly free. That is totally different from Collor de Mello's shock. So which is more recessive? Because Collor de Mello's shock was recessive and generated a drop in the product the very first month, to a point where they are now loosening up the financial system more so that production and consumption will be revived again. Nevertheless, we shall have to wait and see how the Brazilian economy performs in the future. What is obvious is that we must see very clearly that Vargas Llosa's shock is totally different from that of Collor de Mello. Moreover, Menem's shock is more closely related to that of Vargas Llosa because it is a shock that liberalizes things. Obviously, there are differences between Menem, Collor de Mello, and Vargas Llosa. Furthermore, we must consider that in the case of Peru, I am one of those who believes that no formulas or imitations are possible when talking about trying to control inflation and improve the imbalances of poverty. Every country has its own conditions, its own situation, which lead it to find specific programs for every situation. For example, if we want to apply a Collor de Mello-type shock, we would freeze the financial system, and here in Peru the bank system is extremely small. What is more, the parallel system is larger than the formal system, so the measure to freeze the banking system would have no impact. Everyone has already

taken precautions; no one would believe it because the banking system is on its deathbed. In other words, precisely what our economic team is working on—and let it be said in passing that it is a team of tremendous quality—is an alternative to the program depending on the situation of the economy on 28 July of this year. It is very important to see how the economy is doing by that date in order to be able to apply the program that will reorganize the economy.

[EL NACIONAL] What kind of a government does Cambio 90 intend to build?

[Roca] A strong government that will channel markets, a government that will build markets, a government that will cooperate with the market. In other words, not a government in conflict with the private sector or the cooperative sector.

[EL NACIONAL] A corporative government?

[Roca] No, not corporative, but cooperative, one that cooperates, that engages in dialogue. A government with which the private sector will cooperate. This does not imply viewing the government in its traditional role, with the private sector taking advantage of it and using it for its personal benefit, forgetting about the country. Here we have to get the private sector moving toward the same objectives as the government in order to push the country forward.

[EL NACIONAL] Based on all these considerations relating to your technical and personal background, everything would seem to indicate that you will be Cambio 90's first minister of economy, right?

[Roca] No. My cooperation was more or less aimed at heading up this Cambio 90 economic team and drawing up the government plan in detail because the main lines of that plan of government have been in place for several weeks. Let it be said in passing that these main lines are the ones all political parties have presented; none has presented a detailed plan of government. Consequently, my commitment is to work on developing the government plan and obviously, if Cambio 90 is elected on 3 June, it will be ready.

[EL NACIONAL] But everything would point toward having you assume that responsibility.

[Roca] Fujimori will decide who is in his Cabinet.

[EL NACIONAL] If he asks you to be the first minister of economy, would you be able to resist that tremendous responsibility or would you view it as very tempting?

[Roca] I think the possibility would have to be considered when the time comes. It would have to be analyzed at the proper time compared with the rest of the team and, above all, its capacity for cooperation because this country cannot be run by one leader alone. I think the possible success of a Cambio 90 government resides in a team effort and the possibility of arriving at a consensus with the rest of the forces.

[EL NACIONAL] Is that what you want based on the country's situation?

[Roca] We think it is a very strong challenge, but we also think it is one of the country's last chances to move forward. If any one hope has been generated by Fujimori, that is what I think it is. The country is already tired of going from one extreme to the other, going from governments that shut everything down to governments that begin to open everything up and, in this entire process, the only ones hurt are the people and the country. I think that the hope reflected in Cambio 90 strengthens us so that we may give our best and implement a program that is truly successful.

* Labor Stance on Economy, Free Markets Viewed

* Causes of Labor Strife

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[Interview with National Association of Industries, SNI, representative Guillermo Wong and Labor Counseling Center, CEDOC, Director Javier Mujica, by Fernando Rospigliosi; date and place not given; first two paragraphs are editorial introduction]

[Text] Labor disputes have increased during the past 2 years. There are conflicting opinions about the causes of this increase and possible ways of dealing with it. It is hoped that during the next administration a package of reforms of labor legislation will be enacted which will make possible an easier and more just relationship between the factors of production.

To debate the problems of employment, labor stability, the right to strike, and other, related subjects, EXPRESO brought together a representative of the National Association of Industries and a trade union lawyer and adviser. Guillermo Wong, president of the Committee of Shoemakers of the SNI, and Dr Javier Mujica, director of the Labor Advisory Center [CEDAL], expressed their points of agreement and disagreement.

Employment

[EXPRESO] In an EXPRESO editorial it was recalled that during the period in office of the present administration about 1 million workers have been dismissed. That is, the salaried work force has declined by that amount. In addition, there has been a tendency for workers to be employed in the "informal" sector of the economy [outside the law, paying no taxes, etc]. What do you propose to resolve the shortage of jobs?

[Wong] This is alarming. In 1989, out of the total number of people in the working force, only 18.3 percent were fully employed, while 73.8 percent were underemployed, and 7.9 percent were unemployed. I believe that this decline in the number of jobs is due to the recession found throughout our productive sector, which is the

result of galloping inflation. This reflects the economic policy of the present government, which has caused all of these disturbances.

We employers are concerned about this situation. The modern employer understands that private enterprise, apart from generating wealth and being profitable for its promoters and investors, performs a social function by generating work. That is necessary in every country which needs to develop.

It is necessary to act immediately. We hope that the next government will implement an economic policy which will support the generation of jobs. Small and medium-sized industry will play a preponderant role in this effort, as this is the sector which generates the most jobs.

[EXPRESO] What conditions would you need to generate more employment?

[Wong] First, end the recession. To do this, it will be necessary to reestablish the purchasing power of the people.

On the other hand I think that it will be necessary for both employers as well as workers to change their attitudes. Let us handle matters with patriotism and social sensitivity, and both factors of production, working together, will be able to reach agreements which will generate more jobs.

To do that, we need economic, social, and political stability.

[EXPRESO] Doctor Mujica, do you agree that the problem of employment has been worsened by this government?

[Mujica] Whoever analyzes the statistics can agree that there has been a drastic deterioration in the employment situation during the past 2 years. Today, between 800,000 and 900,000 workers in the active labor force are absolutely unemployed. There is a growth of underemployment disproportionately higher than in any other country in Latin America. This has made it impossible to make improvements in the domestic market.

We are talking about the nonviability of the development model which the country has been following for at least the past 30 years. The deterioration in the employment situation is more directly related to structural causes than to temporary circumstances.

The drastic measures of economic adjustment carried out by the APRA [American Popular Revolutionary Alliance] government since September 1988 have helped to generate a recession of a magnitude not previously seen in our economy. That recession has been based in particular on the decline in real incomes of the workers. Never until now have we been able to see a fall of 50 percent in the real income of salaried workers in so short a period of time.

The problem of jobs is a problem of investment. And the decline in private investment in Peru goes back to the decade of the 1950's. Public investment made up for the decline in private investment, paradoxically more under the administration of President Belaunde than during the military governments or that of President Alan Garcia.

[EXPRESO] Wong, do you agree that a central problem is the decline in private investment? And if this is the case, what alternatives do you propose by way of a solution?

[Wong] There was a great deal of speculation at the beginning of the Garcia administration that there was no investment. However, we can prove that, although it is true that there was a growth in investment, it was deceptive, as it was the result of a policy of freezing prices and foreign exchange. That situation did not produce large profits for the employers. This is because prices were frozen. Yes, there were jobs, demand, and consumption, but there were no large profits.

However, private investment in 1986 and 1987 was greater than public investment. In any case I agree that greater investment is needed for development. I also agree that industry needs to be modernized.

[EXPRESO] What conditions would employers need to increase their investments? If the measures of adjustment proposed by Fredemo [Democratic Front] were implemented, would that result in an increase in investment by industrialists?

[Wong] If Fredemo wins the election, I believe that there will be an initial period of adjustment and that this situation is going to demand a great deal of skill by employers. I do not believe that what is called shock treatment is going to create maladjustments in companies of such magnitude as to cause major bankruptcies, the closing of plants, and the loss of labor stability.

I believe that the ability of employers is going to shine in this connection. For that it will be necessary for us employers to understand that we need to focus on business from another point of view. A company capable of maintaining competitive levels of production will be able to operate under these circumstances.

[EXPRESO] Then would you agree with a policy of adjustment which implies stability but which also means making employers more competitive because tariff levels are going to decline, for example?

[Wong] I not only agree but am also aware of what is a real need. Therefore, we employers have to support such a situation. It is not possible for us employers to go on thinking that we should operate under the protective umbrella of Daddy Government. Employers must understand that it is necessary to be efficient to be able to exist and that they must leave aside any kind of protection. The only thing which protection will lead to is inefficiency.

[Mujica] I also agree on the need to reorganize the economy. However, it is necessary to begin with a diagnosis. In Peru the most profitable times have occurred during the periods of greatest crisis. The rate of private profit grew from 21.2 percent between 1950-57 to 36 percent between 1987-1988.

Those enormous profits have been generated in a context of state subsidies. Finally, it is the ordinary citizens who have paid for such profits. I believe that it is not necessary to privatize the state but rather to deprivatize it.

[EXPRESO] However, those profits are not so enormous if the total national product falls, as happens during a recession. Certainly, the distribution of income deteriorates, but recession does not favor anyone.

[Mujica] There is also a total absence of commitment on the part of employers to a national program, which is reflected in the growing level of flight of profits. Furthermore, they act in terms of a more speculative, rather than productive logic.

Structural adjustment is not new in Peru. We have been going through adjustments for the past 15 years. Those programs have their limits. The tremendous commotion caused by the Fredemo economic program lies in the fact that they are not prepared to observe any limits. When employers applaud those objectives, a little ingenuously, they are reworking the dynamics of 1980, when they brought Milton Friedman and Hayeck in to advise them. Those advisers recommended adjustment measures which began with the reduction of tariff duties, which provoked outcries from the industrialists. Today that same spectacle is being repeated.

I believe that what is needed is a distributive adjustment, rather than a recessive adjustment, to help consumption and the purchasing power of salaries to recover.

[Wong] We do not support unreservedly the liberal program which has been mentioned. We believe in the need for a program of adjustments to cut inflation and economic imbalances. Undoubtedly, there are going to be social disturbances. Therefore, a program of social compensation will be necessary.

Regarding capital flight, one thing must be clear. This situation must change. Without my having any desire to justify the employers who have fallen into that habit, I believe that it is necessary for conditions to be created in this country under which such behavior will not continue to occur.

Regarding speculation, in an inflationary process not only employers speculate. We have gone over, in fact, to an economy effectively based on the U.S. dollar because all of the people are trying to protect their savings. I believe that this is a result of the inflationary process, of doubt, and of the discouragement which we are experiencing. We are covering ourselves.

For some employers a large percentage of their production inputs are imported, and they have to calculate the velocity of changes in the foreign exchange rate. I say this without trying to justify speculation of a criminal type, such as hoarding.

[EXPRESO] Is it true that you are profiting from the crisis, as Dr. Mujica has suggested?

[Mujica] I have not generalized my remark to apply to all employers.

[Wong] Often the economic results of business management are reflected in paper profits, and that is a product of inflation. However, if we look at things in real terms, we see that profits are not really what they seem to be.

At this point the government is trying to make accounting adjustments in the companies, with a view to getting something out of them through taxes. I doubt that during the last few years in Peru there have been any substantial profits. If there were any, good luck to Peru, because the state would benefit from them through the collection of taxes, and the worker would also profit because there would be more jobs and at better salaries.

The Fall in Salaries

[EXPRESO] Since September 1988 salaries have fallen sharply. What do you propose to do to avoid their continuing decline?

[Wong] That is a matter for concern. The fall in salaries makes demand fall, and this is worrisome from the human and social points of view.

A few months ago the president of the National Association of Industries expressed the idea, which should be adopted as a goal, that the minimum, monthly salary should be $300. Such a proposal requires a return of at least some stability.

We have often heard politicians talk as if companies were the devil himself. Such ideas should be disposed of. Rather, our governments should provide security and stability to the businessman so that he can develop. I believe that generating wealth is not a crime, because the state lives on such wealth—through taxes. The workers live on it through the generation of jobs and salaries.

I do not agree with closing our market and only looking inward on ourselves. One of the sectors which can support the national economy is industry. Agriculture is limited in terms of needing fertile land. The resources of the mining industry can be exhausted. Industry can grow almost without limit. If there are no markets within the country, industry will find them overseas.

To do this, we need a real rate of exchange to offer competitive prices abroad. We also need efficiency in production to achieve greater productivity. A large part of the responsibility rests with the businessman himself.

[Mujica] We cannot stabilize our national economy at the cost of closing our industries which look to domestic markets and directing all of our productive apparatus at the external sector, at exports. I believe that what Fredemo is proposing is an alternative of that kind.

I do not propose a system of autarchy. There must be a combination of an internal and external market. The problem is where to place our emphasis and when.

We have an industry which is addicted to U.S. dollars where production inputs and capital goods are concerned. Expanding production presupposes investment in terms of foreign exchange. I believe that it is possible to anticipate promoting the processes of reconversion, using a larger proportion of domestic inputs. That assumes certain sacrifices in production for one sector of industry.

Those deceptive hopes regarding the external market have nothing in common with the processes which the international economy has been going through over the past 5 years. Our greatest economic boosters have nowhere near the kind of competence which the large, economic conglomerates have, not even in comparison with Chile or Colombia.

The rigidities involved in finding a way out of our situation are a second element. Do we have the ability to deal with a challenge of that kind, increasing our exports from $3 billion to $6 or $7 billion? In what stages, under what conditions, and at the price of what sacrifices?

A third aspect concerns external rigidities in foreign markets. I have just read a report which states that protectionism in North American and European economies is continuing and is growing. Those markets are not waiting for us.

Everyone forgets that South Korea, Hong Kong, and Singapore set themselves up as export platforms with the decisive help of their respective governments.

[EXPRESO] Let us return to the question of salaries and the proposal by the SNI of a minimum monthly salary of $300.

[Mujica] The fall in salaries during the last three administrations did not happen by any act of God.

[EXPRESO] Did it happen by design of the employers?

[Mujica] It happened because there is a framework of labor relations legislation and a regulation of working conditions arranged between employers and workers which has been set up in such a way that it necessarily results in a reduction in the real income of workers.

Here there is no transparent hand of the market involved. Rather, it is the concerted will of certain capitalist sectors and the state to create an effect of this kind. If we propose an increase in salaries in the hope of reaching a level of $300 monthly, it would be necessary to make clear the methodology to be used to reach it, in order to make the proposal clearer and less abstract and less likely to be interpreted as an election proposal.

I believe that this proposal assumes an economic concept different from the one which Fredemo is proposing. If we follow a policy of economic adjustment, salaries are not going to increase. The salaries disaster will be dwarfed by an even worse disaster in terms of employment.

Salaries fall, not only because the workers did not obtain a better resolution of their claims. They fall because the variables of unemployment and underemployment are also involved.

[Wong] I would insist that the fall in salaries happened as a result of an economic policy which the inflationary process generated. Perhaps Doctor Mujica would help us with figures on the percentage of workers who belong to trade unions.

[Mujica] The salaried, employed population totals about 2 million workers. Possibly about 500,000 workers are protected by collective bargaining agreements. During 1989 salary increases through collective bargaining were affected by ceilings on salaries in relation to inflation, while incomes from the legal, minimum salary and increases given to workers not members of trade unions have been more or less similar to inflation.

[Wong] I was getting precisely to that. About 75 percent of the work force is not covered by collective bargaining agreements. At this time they have monthly salary increases which more or less vary with the price index. Despite that, there has been a fall in real salaries. What should be done to prevent that?

The first action is to halt inflation. The second action is to ensure that employers achieve greater productivity and efficiency in translating those actions into higher salaries.

Labor Stability

[EXPRESO] Would greater productivity require a more flexible labor market and a change in the law on labor stability?

[Wong] No change in the law on labor stability is needed. This is included in the constitution, and every human being has the right to work. However, the law has been faced with a decline in job capacity. There are efficient and inefficient workers.

[EXPRESO] Does the law protect the inefficient?

[Wong] It protects the inefficient because when an efficient worker sees something wrong which creates a certain risk at his place of work, he is the first one to step back. The inefficient worker does not step back because he knows that he will not fit in anywhere else. This law is unjust for the working class itself. It makes employers keep workers on duty when something is being tested and it results in a large number of regulations, like the

PROEM [expansion unknown]. The PROEM should be made permanent to give greater security to employers and generate more jobs.

The law on labor stability should be made more flexible regarding the reasons for layoffs. The regulations should not be unjust but should be mechanisms to help the worker to be efficient, respecting the dignity of the worker and the standards of the company.

A more just law would have provided for job stability, but not worker stability. A company which has 100 jobs must respect them but it should be able to replace a percentage of the workers who are inefficient.

[Mujica] I absolutely disagree with those views. I think that this model of labor relations is authoritarian and excludes the people. For example, it has nothing in common with the Japanese model, which promotes integration and the participation of the workers.

After all, what we are applying here is a system similar to what is being replaced with perestroyka in the Soviet Union.

This model of labor relations ensures greater profitability over the short term but has the potential of conflict over the medium term. No profits based on greater exploitation of the working force can be maintained indefinitely over a period of time.

[EXPRESO] Do you feel that it is just that inefficient workers have to be kept in their jobs, thanks to the law on labor stability?

[Mujica] I would not think so. However, Wong is repeating several of the myths which support this false perception of reality in terms of our system of labor relations.

Article 5 of Law 24514 on labor stability has nine subparagraphs which contain about 45 reasons for legally discharging a worker.

[EXPRESO] However, none of them refers to inefficiency.

[Mujica] One of the reasons for legally discharging a worker is a deliberate and repeated slowdown in the amount of work done.

[Wong] And how would such a deliberate slowdown in the amount of work done be proved?

[Mujica] And how would a nondeliberate slowdown be proved? If you have obsolete machinery, as is the case with most factories, which is held together with baling wire, how can you ask a worker to produce under such conditions? How can you ask him to display efficiency?

By raising that fantasy of labor stability we are hiding once again that form of mercantilism which is used by some employer groups to achieve efficiency at the cost of taking advantage of the weaknesses of the workers. And this is not due to a greater availability of technological innovations, better organization of the working system, a greater use of new products, or reconversion of their production machinery. I believe that by referring to labor stability as the enemy you are covering up inefficiency, which is opposed to updating our minds and renewing the Peruvian industrial machine.

If we speak of modernity, let us speak of perestroyka in companies, the mental reconversion of employers, eliminating the search for efficiency on the basis of exploitation of the weakest link.

[Wong] I also believe that we need a change in outlook on the part of the employers. However, at the same time I believe that the workers, the politicians, and the people must change and stop treating employers as criminals. I agree that there is exploitation, and there are structural imbalances. However, let us work together to resolve those imbalances.

It is said that employers want docile workers and that for that reason they do not want labor stability. That is not true. The time is past when the provisions of the labor regulations or those affecting production affect all of the means of production equally. We have nothing against the working class. We have no complaints to make against it. However, just as there are defects among the employers, there also are defects among the workers. We cannot accept the view that laws like those we have should cover up or unjustly protect these situations.

[Mujica] I believe that we must look for a formula to preserve this very important right to stability for the workers. I do not believe that a job is a kind of property, nor do I believe in the protection of inefficient workers, who should be punished if there is a justified reason.

[EXPRESO] But how would you do this?

[Mujica] I believe that we must look for a law which considers the interests of the separate parts. I believe that dismissing a worker under the conditions of unemployment which exist today in our country means condemning him virtually to death, to poverty.

[EXPRESO] But will not keeping on inefficient workers condemn the company which employs them to bankruptcy?

[Mujica] In other countries measures for the readjustment of employment rolls imply taking prior action, such as consultations with the trade unions and discussion of other alternatives. Systems for the administration of labor justice more efficient than those we have now could also involve broader guarantees against arbitrary action. Even today it is not enough for the law to prevent the dismissal of a worker for a reason not objectively established, because if a labor case takes 2 years to settle, what is the evidence that such a guarantee exists?

I believe that by talking together, without condemning the other party, with a change in the mentality of all social sectors, no one will be excluded from the process.

It is a matter of reaching points of consensus. Capital without labor and labor without capital cannot get anywhere.

[Wong] We agree on that.

Right to Strike

[EXPRESO] Is it possible to reach agreement on the right to strike? Would you, Doctor Mujica, agree with introducing general voting and secret ballots before calling a strike?

[Mujica] The real objective of what would be a system of labor instability is to prevent the workers from forming trade unions. That is our real experience in Peru. That involves the impact which the workers can have in restoring their salary levels by means of collective bargaining.

I believe that, within an overall framework which redefines the present kind of labor relations, there could be a discussion of the subject of strikes. I believe that the workers have demonstrated enough maturity to regulate themselves in the exercise of this right.

I believe that particular attention has been given to the subject of essential public services. When I return to my house and I find a pile of garbage before my door, or when I go to a hospital and they cannot take care of me, even in an emergency, certainly I am concerned about this question. However, I do not believe that the solution would be to deprive the workers of the exercise of a right to be able to pursue their salary claims and their collective bargaining by putting pressure on employers.

I would be in favor of a situation where the workers, without any external intervention, regulate trade union organizations and conduct what amounts to trade union activity.

I believe that it is absolutely no one else's business, either that of the state or of employers, to say how the workers should reach their decisions. Just as it is not up to the workers to tell the employers how they should handle their shareholders' meetings.

[Wong] A strike is a right which helps the workers. It is a means of pursuing the claims of the workers. We agree on that. However, I certainly believe that it is necessary to regulate that right.

Doctor Mujica defends the use of that right without subjecting it to any regulation. We employers do not presume to regulate it. Government departments exist to do this. The shareholders' meetings of the employers are regulated under the law of merchant societies and the Civil Code.

The most important aspect of the exercise of the right to strike is the complete freedom of each one of the workers belonging to trade unions to be able to decide if he wishes to go out on strike or not. The most important problem is the politicization of the trade unions. As long as that continues in the trade unions, it will be difficult for the workers to act freely. Therefore, it is necessary to regulate the trade unions, not coerce the workers.

* Privatization Rejected

90SM0035B Lima EXPRESO in Spanish
15 Apr 90 pp 8-9

[Interview with General Confederation of Peruvian Workers, CGTP, Assistant Secretary General Pablo Checo, by Wilder Ruiz Silva; date and place not given; first four paragraphs are editorial comment]

[Text] The labor market in Peru is rather disturbed, fundamentally because money is no longer reaching it. Therefore, the trade union struggle in Peru continues to be active, and it is possible that there may be a larger number of strikes in the future. This was stated by Pablo Checa, assistant secretary general of the General Confederation of Peruvian Workers (CGTP).

Checa is the deputy leader of the most powerful trade union organization in Peru. In an interview with EXPRESO held a few days before the elections he said that the workers have never denied the importance of private enterprise in national development.

On the other hand he said that "the class struggle is an objective phenomenon which goes on whether we wish it or not." At the same time he stated once again that the demands of the working class are based on unifying and strengthening trade union organizations.

We spoke with Checa about the changes which are taking place within the socialist movement and on the privatization of some sectors of the economy. We also talked about the importance of the market in setting prices. Checa recognized that, "in effect, we cannot do without the market."

[EXPRESO] How would you describe the labor scene in Peru at this time?

[Checa] That cannot be measured in so short a period of time as a week or a few days. It should be measured over a longer period of time.

So far this year there has been a large number of strikes, and there will be more. Basically, this is because during the first part of 1990 more than one-third of the outstanding labor claims were presented. At this time the struggle over wages is very intense. Furthermore, there are important strikes going on in support of claims for the survival of the workers.

When the calculations regarding an increase in wages were made, the claims agreed upon within the trade unions did not take into account the present levels of inflation. Wages are not adequate. Therefore, in view of this situation we are presenting amended claims for a new increase in wages. There is also a series of regional movements and strikes. There are strikes over problems of the water supply and a series of other services, etc.

The labor market is fundamentally quite active, because the money we receive is no longer enough.

[EXPRESO] How do the workers belonging to the CGTP see the liberal political movement and the collapse of the ideas which once dominated the countries of East Europe?

[Checa] At this time there is an engine which is driving these changes, affecting the capitalist and socialist systems. We are in a third, great revolution, that is, a scientific and technical revolution which covers almost all aspects of human life. We workers always accept and support the changes which take place in the area of technology, because they benefit the workers.

In the second great industrial revolution, which took place in the second half of the 19th century, it was the workers who were the great agents of change. That second great industrial revolution encouraged greater production which, in turn, increased consumption and broadened the market. The bourgeoisie did not see that aspect so clearly. On the other hand, the working class did see that change and, therefore, during the second great industrial revolution there were great achievements, not only for the workers but also for mankind, including, for example, the 8-hour day.

In the present period of change and of the scientific and technical revolution, it is possible that the working day will be reduced. That involves a discussion which is taking place at this time in Europe. A 6-hour day is being welcomed in many areas. However, the bourgeoisie claims that this will be at the cost of losing some of the trade union rights and accomplishments which the workers have achieved in the world.

Socialism

[EXPRESO] Is socialism changing?

[Checa] It is changing, and I am confident that this will help workers to improve socialism. For example, at this time the planning process must involve participation by many people.

In the socialist countries this no longer involves only the expansion of labor intensive work. It also involves attaining a greater degree of technical complexity, to be in tune with these technological changes.

The socialist countries have made many advances in the technological field. However, they still need to move forward in areas which pertain to greater, mass consumption. To the extent that these advances are applied to consumption and to the various social sectors, I believe that the achievements will be very great. For example, over the next 10 years, that is, by the year 2000, the Soviet Union wishes to increase its Gross Domestic Product by 100 percent.

What other country has proposed doing this? I think that very few have done so.

[EXPRESO] The Russians want to double production, but with a totally different system, giving greater initiative to the people and creating and encouraging private enterprise. Has there been a change in the philosophical line of Marxists?

[Checa] I believe that there has been no change in the philosophical line. On the contrary, there has been a return to a source which, for different historical reasons, was set aside. Marxism always advocated the participation of the workers in management. In the socialist countries the proposals for self-government have not been applied to the extent that they should have been.

[EXPRESO] Marxism advocates that the means of production should belong to the state. Do you agree with that?

[Checa] Yes. However, there has been a very long discussion on this subject among socialists. Let us not forget that there are various positions among the theoreticians of Marxism.

[EXPRESO] Independently of Marxists, do the workers in Peru who are affiliated with the CGTP believe that the means of production must be in the hands of the state?

[Checa] Well, clearly, the principal means of production have to be in the hands of the state.

[EXPRESO] Which areas?

[Checa] Not everything must be in the hands of the state. For example, the strategic, basic industries must be state-owned. In Peru who can invest in petrochemicals, in the production of steel, as well as in the communications sector in general?

[EXPRESO] And those areas must necessarily be in the hands of the state?

[Checa] It is clear that investment in Peru has not grown for the past 20 years. This is not because there has been labor stability. Investment has not grown because the model in effect does not permit growth and makes many investors prefer financial speculation instead of productive investment.

There are very large investments which only the state could make. Economic planning has no reason to cover very small matters in detail. In the end, that kind of effort would be useless. We have to plan the areas which are fundamental to development.

Privatization

[EXPRESO] What do you think about privatization of those strategic areas?

[Checa] In the first place the need to privatize companies because they have not been efficient must be further analyzed in depth. About 85 percent of the losses of state enterprises are concentrated, for all practical purposes, in four companies: Petroperu [State Petroleum Agency], Electroperu [Peruvian State Electric Power Enterprise],

Enci [National Enterprise for Industrial Marketing], and Ecasa [Rice Marketing Enterprise]. These companies have subsidized economic sectors which currently are not investing anything.

[EXPRESO] Why do you think that Petroperu, Electroperu, etc, are losing money?

[Checa] In view of the lack of proper taxation in Peru, Petroperu is the largest collector of money, through the tax on gasoline. Proceeds from that tax have not been used to refloat Petroperu. They have gone into the coffers of the state. The way in which the government has handled these funds—well—we are looking into it.

In the case of Electroperu, electricity is being sold for one-third of its real value. The companies consume 51 percent of the electricity produced. Therefore, I believe that we have to look more carefully into the matter. We have to reconsider this matter without accepting the need to reprivatize this enterprise.

[EXPRESO] Do you not believe that the workers of Petroperu, Mineroperu [Peruvian State Mining Enterprise], Hierroperu [Peruvian Iron Mines Enterprise], and Siderperu [Peruvian Iron and Steel Enterprise] could buy some of the shares in the companies with their pay?

[Checa] In any case what interests us is the right of management and comanagement. That is the most important matter. On the other hand natural resources and the processing of resources which belong to everyone should benefit all Peruvians.

We want to participate in management and comanagement of companies, not because of the fact that we have one or two shares of stock. Employers must recognize our right to management, not because we own stock but because the worker participates in production. That is what we are claiming.

[EXPRESO] Would you support the free sale of stock in these companies on the stock market so that all Peruvians would buy shares and the companies would be public concerns?

[Checa] But what capacity to save is there at this time so that all Peruvians could have the same opportunity to buy those shares of stock? What could happen is that those groups with the greatest economic power would get together to buy the largest quantity of shares and control the company.

[EXPRESO] What do you propose?

[Checa] Our formula is different. We want to revitalize the working community. We want the workers to have access to such an amount of property that, in the last instance and through control of management, it would be possible for them to play an important role in the management of the company.

When we speak of revitalizing the working community, we are talking about its extension, not only in the four sectors where it now theoretically exists, but rather, broadened to cover all productive areas of the economy.

There is a working community in industry, in the fisheries, in telecommunications, and in the mining sector.

[EXPRESO] For example, would you advocate the establishment of a working community in the large supermarkets and in service establishments in general?

[Checa] Of course. In the services there should be a working community and in the financial sector as well. I am speaking in general terms. I am not going to go into detail. We propose that working communities should be extended to all major levels of production. It is also true that a limit should be established to cover certain companies, depending on their size and how large their investments are.

[EXPRESO] Could foreign investment come into the country, broadening the scope of the working community?

[Checa] Foreign investment should be welcomed, provided and when it is suited to the levels of development which we are proposing. Foreign investment is a supplement. We must emerge from the state of underdevelopment with our own efforts. Investments will not immediately come into Peru. We have good prospects for attracting such investment if we ensure internal order and stabilize the economy.

[EXPRESO] Does the right atmosphere exist for extending the labor market in the construction industry to other sectors of the economy?

[Checa] Look, this is not a new subject, as they say. The labor market should be an absolute need. I believe that it would be a great advantage and a much more important aspect of democratization if it is possible for the unemployed to organize themselves and have access to job opportunities.

[EXPRESO] If we were to attempt a massive privatization of companies, what do you think the reaction would be of the workers organized in the CGTP?

[Checa] Well, you do not have to have much imagination to figure that out. The labor movement is preparing itself for a series of possible developments.

Look, at the end of 1988 the government attempted to remove, through Decree 040, the already limited possibilities of salary readjustment. For that reason alone the trade union movement responded with what was practically a general strike. That is, day after day the labor federations and the trade unions began to organize strikes in response to a call from the CGTP. If there is massive privatization of the economy, the reaction would be similar. The only difference would be that in this case the country would see for the first time (in the last few decades) a general strike by the entire trade union movement. In effect we would be in a situation involving a very major conflict.

[EXPRESO] Will there not be a honeymoon of the first 100 days between the workers and the new government?

[Checa] I appreciate that initially every government should begin to develop its program. Unfortunately, that is not happening in Latin America. For example, look at the cases of Carlos Andres Perez in Venezuela and Menem in Argentina. As soon as they entered office, they took very controversial action. A more or less similar situation happened with Paz Zamora. If the new government follows this same path, clearly it is going to meet the power of the workers organized in a major effort to reject that kind of program.

[EXPRESO] Do the Peruvian workers affiliated with the CGTP oppose private enterprise? Is that slogan of the class struggle still alive, or is it a thing of the past?

[Checa] The class struggle is not just an idea. Historically, it was not even formulated by Marx himself. It was raised by other theoreticians of capitalism before Marx. Furthermore, this class struggle takes place at different levels. It appears in the struggle for higher salaries. The class struggle also takes place in the political and ideological areas. The positions of the working class are based on collectivization and on the strengthening of its organizations, etc.

The class struggle is a phenomenon which takes place almost independently of our will. There is no reason to be confused about the essential proposal for the unity of all groups which really wish to deal with the crisis from a patriotic point of view.

In the CGTP it has been pointed out, very clearly, that if there are sectors of the national bourgeoisie which wish to move forward with the development of the country, they will be welcome. We are not going to obstruct the development of the country.

[EXPRESO] Do the workers accept the participation of private enterprise in the development of the country? The workers still continue to think of being the necessary owners of the means of production through the use of violence, as was the case some years ago. Has there been a change in this connection?

[Checa] We have never denied the importance of private enterprise in development. Private enterprise has its place, provided and when it functions in accordance with the sovereignty and development of the country. When a company goes into bankruptcy and later, when the workers take over the company and prove that the company certainly can continue in operation, the businessman who led his company into such a situation cannot have any place under socialism.

The Market

[EXPRESO] What do you think of the market? Is it a good place for earmarking resources, or is this a totally secondary question?

[Checa] I believe that we cannot do without the market. Even in the socialist countries the theoreticians of socialism have suggested several advantages of the market.

[EXPRESO] Do the workers consider the market important in determining prices, or does everything have to be controlled by the state?

[Checa] The market, and that invisible hand by itself, does not in any way allocate the proper amount of resources. Even the neoliberals have had to recognize this and have added a word to the term, the market economy. The word is social.

This little word has not been added arbitrarily. The neoliberals realize that if we leave it simply that the invisible hand of the market shall regulate everything, the system will not work, because the market must be a function of society.

Uruguay

Official Confirms No U.S. Bases To Be Built

PY3005215390 Montevideo LA DEMOCRACIA in Spanish 25 May 90 p 9

[Excerpts] The Secretariat of the Presidency of the Republic and Vice President Gonzalo Aguirre have emphatically denied the possibility that a U.S. military base would be established in Uruguay, and ratified the traditional National Party [PN] position, opposing the establishment of foreign military units in our territory. [passage omitted]

In a communique, the Presidential Secretariat emphatically denied any possibility of establishing a military base in Durazno Department to serve the U.S. Armed Forces. The Presidential Secretariat's denial agrees with a denial issued previously by [Defense Minister Mariano] Brito.

On the other hand, the Presidential Secretariat confirmed that the government is assessing proposals to establish a free-trade zone near the Santa Bernardina airport, which will eventually be equipped with equipment for the maintenance and repair of civilian airplanes.

The communique describes as groundless the reports on a formal request by North American authorities to establish a military base. The communique adds that, if such a request is made, the current PN Government will flatly dismiss it, as the PN has always rejected attempts to establish foreign military bases in our country.

Army Commander Discusses New Military Doctrine

PY3105225590 Montevideo BUSQUEDA in Spanish 20-30 May 90 p 12

[Text] Lieutenant General Guillermo De Nava, the Army Commander in Chief, has expressed his opinion

about the formulation of a new Armed Forces doctrine that has been ordered by President Luis Alberto Lacalle. According to De Nava this doctrine must include "the conventional and non-conventional actions that the high command may decide to undertake" and which the men in uniform cannot delegate.

De Nava spoke about the topic in his address on occasion of the ceremony to celebrate Army Day on 18 May at the Army Headquarters parade ground, in the presence of President Lacalle and other authorities.

De Nava first highlighted the ceremony, which was presided over by the president in his role as chief of state and "commander in chief of the Armed Forces."

For the first time in a ceremony of this kind, the president reviewed the troops (in a jeep) to reaffirm his role as chief of the military institutions, and for the first time some armored vehicles, artillery, and engineering equipment were displayed.

De Nava reiterated the Army's commitment to "defend the institutions," and stated his intention of "developing the basis of the doctrine for the use of the branch" by continuing "the work that has already begun with the help of our training and improvement institutions."

The commander in chief was interrupted by applause when he recalled the four soldiers killed by the MLN-Tupamaros [National Liberation Movement-Tupamaros] on 18 May 1972.

De Nava, former chief of the military household during Julio Sanguinetti's government, reviewed the Army's history and stated that he disagreed "with the opinion of some people regarding the need to re-integrate the Army," because it "had never been separated" from the rest of society.

He also referred to the role of the men in uniform and he stressed that "for the government and the country the most important action of the Army is the exact compliance with our fundamental role that is defined in the law and which consists of defending the honor, the independence, and the peace of the Republic, the integrity of its territory, its Constitution, and its laws."

He also maintained that the Armed Forces must take action against "all types of aggression," and he precisely defined the concept of national defense.

He added: "Our opinion in this regard is almost universally accepted; that the national defense is a great task of the nation and particularly of the state."

He said: "All factors of national power must contribute toward national defense" and "it is the responsibility of the Armed Forces in general, and to the Army on the national territory, to carry out national defense through conventional and nonconventional actions in accordance with the command decisions (...) The military actions are our responsibility and to fulfill our mission we must be prepared and must consider the best use of military action."

De Nava added that the "will of the nation to defend its values and the ability of its Armed Forces to fulfill their mission, including that of the Army (...) are a dissuasive factor for an eventual aggressor."

De Nava said that military men are "aware of the current economic situation. We are cooperating in the task of reducing public expenditures, which we believe is temporary, despite great sacrifices. This reduction affects the preparation of the force. However, considering current restrictions we are hoping to obtain in the medium-range the necessary improvements to allow our men their basic needs."

He said: "We have been heard and we have been understood. That is why we have hope." He added: "The budget restrictions will not change our will to work tirelessly to achieve our goals."

He went on to say that to be "more effective," the "necessary studies have been made to ensure the most rational use of financial and material means to fulfill the specific mission."

He also indicated that efforts are being made "to strengthen relations" between the military men on active duty and those who are retired, and "to preserve the image of the Army from rumors, biased reports, and hasty statements. We respond to them with facts that show the real image of the Army."

After the Army ceremony, De Nava told the press that he does not believe in an "orchestrated campaign" against the Armed Forces. He said: "I do not believe in the existence of an orchestrated campaign. Due to misinformation, false comments are sometimes made and mistaken concepts about the Army are sometimes expressed."

Rise in Exports, Trade Balance Surplus Reported

PY3105231690 Montevideo EL DIA in Spanish 25 May 90 p 13

[Summary] The Bank of the Republic has reported that exports have increased 30.4 percent in the first four months of this year in comparison to the same period in 1989. Imports have also increased 26.4 percent during the same period in comparison to last year. From 1 January to 30 April 1990, Uruguayan exports totaled $530 million, an increase over the $406.6 million during the same period last year. The report also indicates that the trade balance for the first quarter of 1990 shows a surplus of $103 million.

Inaugural Shipment of Meat Exports to USSR

PY3005223090 Montevideo EL DIA in Spanish 25 May 90 p 14

[Excerpt] The Soviet ship Kuldiga set sail yesterday from the metropolitan port with a 3,200-ton shipment of cow chucks, bound for the Soviet Union. This shipment represents the beginning of an export trade flow that will permit the Uruguayan meat-packing industry to maintain almost permanent trade relations with a nontraditional meat market. [passage omitted]

Venezuela

President Perez Interviewed by Honduran TV

PA3005020290 Tegucigalpa Televisora Hondurena in Spanish 0300 GMT 12 May 90

["Exclusive" interview with President Carlos Andres Perez by unidentified reporter at the Honduras Maya Hotel in Tegucigalpa; date not given—recorded]

[Excerpt] [Reporter] Welcome to Honduran television.

[Perez] Thank you. First, please allow me to greet the Honduran people.

[Reporter] As someone involved in the quest for a solution, not as an analyst, how do you see the evolution of the problems in Central America since the 1970's?

[Perez] I am frankly optimistic. Above all, not only is the Central American problem being solved, it is Central Americans themselves who are solving it. We are definitely laying aside the absorbing paternalism that for so many years divided Latin American forces.

Today, by the Central American people's own free will, the serious Nicaraguan conflict has been resolved. By the free will of the people of Nicaragua a new government has been elected. Now we are headed toward a negotiated solution of the Salvadoran problem. There are enough reasons for us to be optimistic. Today I said in Congress that there can be no sweeter words to say here in Tegucigalpa, the heart of Honduras, than "the war is over."

What does this mean to Hondurans? It means that this country can once again try to reconstruct its economy and try to bring welfare to a people who have so many problems.

[Reporter] How do you view the Sandinist Revolution. What does it mean to you?

[Perez] It is a very important event in Latin America. It is an expression of the struggle against despotism, because the Sandinist movement did not appear out of thin air. First, its name, Sandino, who fought against intervention in our land. He was murdered by Somoza. After that we have Sandinism. It is a reaction against the Somoza dynasty. We must go back to the source to see why young men become radicals and why movements in our countries become radical. The meaning of the Sandinist movement is also the importance and scope of the democratic and political will of our people. Sandinism has been accused of being a party or a system fatally headed toward political totalitarianism. Often it has seemed as if that was the way it was going to be. What happened? It was one of the noblest examples given in Latin America by an all-powerful revolutionary movement. I say it was all-powerful because it had won the war and had all the weapons, yet it opened the way to elections.

Now, we should not think that this was a generous attitude on the part of Sandinism. This was the people's expression. It was an expression by all the Nicaraguan people, including the Sandinists. They were able to interpret the people's democratic will. The people demanded elections. They wanted free elections. Free elections were held.

That is the greatness of the Sandinist movement, which will continue to play an important role in Nicaragua.

[Reporter] How will the change of government in Nicaragua affect El Salvador?

[Perez] I not believe that it is specifically the change of government in Nicaragua that will affect El Salvador. The basic repercussion is what is happening throughout the world. We have achieved worldwide detente, now that the USSR and the United States are agreeing. Now that regional conflicts in other parts of the world are giving way to understandings between the great superpowers, the East-West conflict should not continue to be present in Latin America. If it is a Latin American conflict in El Salvador, let us resolve it as Latin Americans. Let us go to a meeting to be held by Salvadorans from both sides, the government and the FMLN [Farabundo Marti National Liberation Movement]. If the FMLN and the government really want democracy, we will lay down the rules for the dialogue so that the resulting democracy will satisfy everyone.

Then the same thing that happened in Nicaragua—Sandinists as well as non-Sandinists participating in the elections—will happen in El Salvador. In the upcoming March elections in El Salvador, let the present political parties and the new force that will be created around the FMLN participate in the elections. That is the solution, and I foresee it to be very near. The talks begin on the 16th of this month.

[Reporter] Is the dialogue a priority?

[Perez] Of course. I do not believe that we must distrust the FMLN or that we should distrust the Sandinist movement. We are now going to start the second stage. I am sure that this year we will achieve total peace in Central America. You know what this means to Hondurans, because Honduras is in the middle of the conflict. The Nicaraguan conflict was dramatic for Honduras. The Salvadoran conflict is dramatic for Honduras. There are refugees from one side and from the other. Honduras

has so many problems and such a low per capita income. It has a decreasing gross national product. It is acquiring more commitments because of the tragedies in Nicaragua and El Salvador.

[Reporter] You have spoken of the United States and the USSR. What can Central America expect from President Bush's policy toward Central America? Will it be a policy of unity?

[Perez] I believe so. I have been a permanent critic of U.S. policy. I am not the kind of politician that says one thing in public and something else in private. I have always spoken clearly. I have seen that President Bush wants to reach out and achieve relations of mutual respect with Latin America. There is the sad episode of Panama. However, we must advance, and hope that this unfortunate incident does not happen again in Latin America. We are going to accept the goodwill President Bush is offering. He wants a sound, direct, creative relationship with the Latin American nations. I have just met with President Bush, and I left fully satisfied with what he said.

[Reporter] What do you consider a sound U.S. policy toward Central America?

[Perez] The United States' trusting us. It should not believe that it can tell us what to do. There is an example now in the solution of the Nicaraguan conflict. Violeta Chamorro's government, very intelligently, and with a true spirit of national reconciliation, has agreed to let Humberto Ortega, a top-ranking Sandinist, remain as head of the Army. In her inaugural speech she said that she had ordered General Humberto Ortega to continue as the head of the Army. She said that she had ordered him to do this and that. She is seeking reconciliation.

We cannot ignore the existence of Sandinism in Nicaragua, nor the presence of Sandinism in the Nicaraguan Army. The United States did not like this step. Unfortunately, our tragedy with the United States is what I have called historical lack of understanding. They do not understand the way we are, and then they want to do things the way they want in Latin America. Peace in Nicaragua is not the way the United States wants it. The Nicaraguan Government should not do things the way the United States wants them done.

[Reporter] Is this not intervention?

[Perez] No, not exactly. That is something else. However, undoubtedly it is very important to be able to say now that the U.S. Government has clearly seen the intelligence of the new Nicaraguan Government and now Congress has approved aid to Nicaragua. We have to view this as a positive sign of U.S. policy.

[Reporter] How do you view Latin American integration?

[Perez] Latin American integration has got to be achieved come what may. Excuse me for putting it so bluntly. We cannot wait any longer. There is the European Economic Community. There is economic expansion toward Eastern Europe. There are the U.S. and Canadian markets. There is the great Asian market. There is Japan. What are Latin American countries going to do if we do not integrate? It is a historical imperative. We should not grasp one particular system, like ALADI [Latin American Integration Association], which is an institutional way of achieving Latin American integration, but we must proceed.

We also have the Andean Pact to complement Latin American integration. It gathers together a group of Latin American countries.

The Central American Common Market is another part of the great integrationist effort. The integration agreement among Brazil, Argentina and Uruguay is another part of Latin American integration. The possibility of an agreement between Mexico, Venezuela, and Colombia is another part. All of these parts can be united until we create Latin American integration.

[Reporter] Does that integration include the Caribbean and Castro's Cuba?

[Perez] The Caribbean is part of Latin America. Of course, Cuba is part of Latin America. Our purpose now should not be to isolate Cuba. Within the great transformations that are being effected all over the world, Cuba through its own decision, through its leadership under Fidel Castro, should open its way to integration within Latin America. Now we do not have the problem we had before of Cuba being a part of the USSR's strategic plan. Now the United States cannot claim that Cuba is a strategic base against it. Now it is a very different problem, and we must deal with it with the hope that Cuba will integrate with all of Latin America.

[Reporter] What about elections in Cuba?

[Perez] Well, that is an issue the Cubans must settle in their own way, and I believe that their leader, Fidel Castro, is a man of great talents. He has proven this, even though we may not agree with his ideology. Also, he is a man with a great deal of experience and he has been in public office for many years, leading his country and keeping in touch with all the complexities of international politics—which I am sure will give us [words indistinct] ideas to sponsor a political project according to the world's new reality.

[Reporter] What do you think is Latin America's true capability of uniting to negotiate the collective foreign debt ?

[Perez] Unfortunately, we have failed. If the Latin American nations had united, if we had reached a consensus to propose a joint structure to negotiate, Latin America's situation would be something else. Of course, we have not reached the point that has been suggested, meaning that negative idea designed to discredit us, about organizing a debtors' club, like a club of swindlers who joined

to avoid paying their debts. No, that is not the idea. The idea is that Latin America, which recognizes that it has obligations that must be honored, would have agree upon a platform to negotiate, stating that it can cancel its debt under these terms.

We should have agreed upon overall terms, within this negotiating structure, and then negotiate our debts on a bilateral basis, but Latin America was incredibly selfish. Curiously, when the 1980's crisis began, Latin Americans, instead of realizing that it was time to reintegrate to be strongly united, did the opposite. Each of our nations opted for the absurd chauvinistic and selfish attitude of saying: What do we care about what happens to our neighbors; let us try to save our own necks. That is what happened to all of us, one by one. That is the truth. Well, fortunately—at least rhetorically—we have maintained an open struggle as proven first by the Quito Document and then the Rio Document, and then later by the SELA [Latin American Economic System] meetings and the attitude assumed by many regional leaders at international conferences. All of this creates an atmosphere that has given positive result.

The situation concerning the foreign debt was very different five years ago. Nothing was recognized on our behalf. That is the tragedy that Argentina and Brazil are now living. Debts are being renegotiated today, not under conditions we want, but under conditions that are acceptable to our nations. Costa Rica has just renegotiated its debt, reducing it almost to zero through a very large discount. Latin Americans can do this. Venezuela has renegotiated its debt and we are now discussing arrangements with the banks to lower the interest rate on the debt, from over $3 billion per year to less than $1.5 billion per year. We can deal with this, we can pay this. This is the road we now follow. I know that you are facing a difficult phase in Honduras because you are adjusting your economy.

[Reporter] Do you believe that to negotiate the foreign debt, the international economic order must first be reorganized?

[Perez] Of course. The international economic order is a totalitarian order organized by those who won World War II [words indistinct] to maintain their privileges in developing countries, and exploit those countries' raw materials and work force, thereby enhancing their countries. International justice does not exist. One of our unchangeable positions is our struggle for a new international economic order. This struggle was quite strong in the 1970's, but lost importance when the crisis came and selfishness separated us. Now that the 1980's have ended and now that we have started the last decade of this century, this Latin American thesis has recovered its primitive drive and strength.

We do not want confrontation. It is not a matter of fighting with the United States, Europe, or Japan. It is a matter of being heard and respected, and of talking as equals. We cannot do this individually, we must do it together. This does not apply just to us Latin Americans. We must join forces with the Africans and the Asians, because we are a world in which the destiny of mankind is at stake. The largest portion of the world's raw materials is in our hands and the work force here is extraordinary. Therefore, the world's future is in our hands and we have the capability of negotiating together and obtaining.... [changes thought] We do not want to defeat the great nations—that is impossible and absurd. We want to be heard and respected, and we want to reach an understanding that allows us to base an international economic order on equity and international justice. [passage omitted]

University Protests Over Fuel Prices Continue

PA3105133290 Paris AFP in Spanish 2329 GMT 30 May 90

[Text] Caracas, 30 May (AFP)—Several injured students, one of whom lost an eye, and dozens of arrests were the result of student demonstrations in Caracas and four other Venezuelan cities that were held to protest a possible increase in the price of gasoline, AFP was informed.

In Maturin, 400 km southeast of Caracas, students protested for the second consecutive day, demanding the release of approximately 30 students who were arrested during the violence and looting that followed their demonstration yesterday, student leader Jose Villalba told AFP.

In La Yaguara, northeast of Caracas, clashes between police and students of the Luis Caballero Polytechnic University Institute left four students injured, one of whom lost an eye, according to Villalba.

Villalba, leader of the Federation of University Centers of the Central University of Venezuela (UCV), said that students of the polytechnic institute in Caracas "hijacked" 21 station wagons and four public transportation buses.

The vehicles were held inside the university campus to pressure the government "to negotiate" with them a possible increase in the price of gasoline, which would also eliminate the preferential fare for students.

Approximately 30 students were arrested during the incidents.

Late in the afternoon, a commission headed by Jorge Rodriguez, president of the Federation of University Centers, met with Interior Minister Alejandro Izaguirre, who is currently in charge of the Presidency. President Carlos Andres Perez traveled to Malaysia today to attend the summit of the Group of 15, which is made up of Asian, African, and American nations.

Villalba said that the protests extended to the Los Teques city dormitory, 25 km southeast of Caracas, the

oil-producing city of Maracaibo in the country's northwestern region, and the southwestern Andean city of Merida.

The university students' protests came five days after the military maneuvers ended in the main cities to neutralize possible situations of "civil unrest" that began in mid-May.

On 27 February 1989 a 100-percent increase in public transportation fares as a result of an increase in the price of fuel ignited riots and looting (known as the "caracazo"), which left 276 dead and losses estimated at 150 million (currency not specified), according to official estimates.

In the midst of the "Caracazo," Perez signed a letter of intent with the IMF, committing himself within the framework of his economic plan to adjust domestic fuel prices to the same level applied to fuel exports.

Guyana

EEC Sugar Quota To Fall Short by 13,000 Tons

FL3105151990 Bridgetown CANA in English
1444 GMT 31 May 90

[Text] Georgetown, Guyana, 31 May (CANA)—Guyana will be declaring a 13,000 ton shortfall in meeting its 1989-90 European Economic Community (EEC) sugar quota, the state-owned Guyana Sugar Corporation (Guysuco) has announced.

"No time extension will be requested for shipping this shortfall and Guyana hopes that its African, Caribbean, and Pacific (ACP) partners in the (EEC) sugar protocol will be in a position to take up the shortfall of approximately 13,000 tons by June 30," Guysuco said in an official statement.

It is the second straight year that Guyana corporation will be failing to meet its 167,000 tons annual EC quota. As it did during the 1988-89 quota year when there was a shortfall of 35,000 tons, Guyana will again be entering a plea of "force majeure" with the hope that it does not attract any penalties. As was the case last year when Guyana successfully submitted that strikes in the industry and heavy unseasonal rainfall were responsible for its failure to meet its quota on its most lucrative market, this year's claim of force majeure will be built around the same factors.

There is some concern in sugar circles here, however, that the local state-owned industry might find negotiations at the bargaining table much more difficult this time round primarily because, unlike last year when all of Guysuco's sugar exports went to the EEC, during the current quota year, the corporation shipped some 15,000 tons of sugar to the United States market.

Cooperation Pact Signed With British Sugar Firm

FL3105180390 Bridgetown CANA in English
1657 GMT 31 May 90

[Text] Georgetown, Guyana, 31 May (CANA)—Guyana and Booker Tate have signed "a proposal for cooperation" agreement, expected to pave the way for major involvement by the big British sugar company in rehabilitating the local industry.

A statement from the official Guyana Public Communications Agency (GPCA) said the arrangement is a precursor to the possible signing of a detailed contract for Booker Tate to manage the industry here, most of which it owned and operated up to 1976 when Booker's extensive holdings were nationalised. The management agreement, to be concluded by October 1, 1990 is expected to form the basis for the medium-term restructuring and rehabilitation of the monopoly Guyana Sugar Corporation, (Guysuco), to facilitate a joint venture, GPCA said. Under the just-signed agreement, Booker Tate will make available to Guysuco "an advance party" of five managers with effect from July 1, 1990.

"It also provides for the head office of Booker Tate, with effect from June 1, 1990, to commence work in collaboration with the government to raise the financial resources required for the short- and longer-term restructuring of the sugar industry", GPCA said.

The advance party will be assigned management positions within Guysuco to provide operational support and preliminary planning of the organisational arrangements and the scheduling of the programme necessary for the company's medium- and longer-term improvement. The British officials will also review the management arrangements to be put in place for an extended Booker Tate involvement in the local industry and will liaise with their head office in raising the financial resources for the operation and development of the industry over the next two years, the GPCA said. The tasks will be monitored by a steering committee of representatives from Booker Tate, Guysuco, and the Guyana government.

No indication was given about the amount of money that will be required over the next two years. The GPCA statement was also silent on the question of ownership of the industry. Booker Tate officials, as well as well-placed sources within the government, have indicated that a priority matter to be addressed will be the question of shareholding in the industry.

Booker Tate has already indicated that while they are not interested in significant shareholding in sugar here, that the company will work towards a reduction of state ownership. This would allow for shares to be sold to sugar workers and other interested Guyanese organisations and individuals.

Suriname

Army Regains Control of Rebel-Held Power Plant

FL3105124090 Bonaire Trans World Radio in English 1130 GMT 31 May 90

[Text] Suriname's Army says that it has regained control of the Afobaka hydroelectric dam that provides power for the capital. The dam had been seized by Jungle Commando rebels on Saturday [26 May]. An Army helicopter destroyed a Jungle Commando airplane and damaged another one early yesterday in the eastern mining town of Moengo.

Rebel leader Ronnie Brunswijk says in a radio interview that he asked President Ramsewak Shankar to order an end to the attack on Moengo. Ronnie Brunswijk says rebels have mined the town and will destroy it if they are forced to retreat.

Ronnie Brunswijk Threatens To Blow Up Moengo

FL3105190690 Paramaribo International Service in English 1730 GMT 31 May 90

[Text] The leader of the Jungle Commando, Ronnie Brunswijk, has threatened to blow up strategic points in the bauxite town of Moengo in the Marowijne District. This threat was made following the aggravating situation in the eastern part of Suriname.

According to reports, last Tuesday [29 May], there was an exchange of gunfire between troops of the National Army and the Jungle Commando on the road leading to Moengo. Also, two aircraft of the Jungle Commando were severely damaged after being fired upon by a helicopter belonging to the National Army. The cabinet of the Military Authority said that the helicopter, which was on its way to Albina, was being shot at by the Jungle Commando. The helicopter crew promptly returned fire.

Brunswijk is, however, of the opinion that the Army started the offensive and demands that the government order the Army to stop its attacks; otherwise, the Jungle Commando will blow up strategic points in Moengo.

The bauxite company, Suralco [Suriname Aluminum Company], among others, operates in Moengo. Bauxite is the most important export product of Suriname.

President Calls Off Attacks

FL0106122790 Bonaire Trans World Radio in English 1130 GMT 1 Jun 90

[Text] Surinamese President Ramsewak Shankar has called off air attacks in the mining town of Moengo. He also has requested the Jungle Commando rebels, who are holding that town, lay down their arms. The rebels have threatened to blow up the town if the raids were not called off. Clashes in the area have forced the Suriname Aluminum Company to halt operations there.